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SEPTEMBER 2022


Quarterly Tech M&A Update Q3 2022


AGENDA

Tech sector Q3 2022 – Key takeaways

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The TMT sector is driven by the need to acquire target companies to accelerate business growth as well as to complement the existing product portfolio and offer additional value-added services to customers. Meanwhile, financial investors continue to pursue a buy-and-build strategy for their software assets in Q3 2022.
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Contrary to the overall market, M&A activity in the European TMT sector is fairly stable. The number of transactions decreased slightly from 775 in the second quarter to 745 in the third quarter of 2022. Strategic buyers account for approximately 80% of transactions, indicating the significant need to secure know-how and market share in a volatile environment with numerous crises.
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The combination of a progressively rising inflation, geopolitical tensions and a slightly negative outlook drive an ongoing decrease in valuation metrics of our public market peer groups.
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In Q3 2022, the subsegments show a slight decline in transaction volumes. However, the impact does not imply a risk for future M&A activities in the TMT sector. We continue to observe most transactions and the highest revenue 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
Sep 2022	M&A	 	simplurance , a developer of software solutions for retailers and consumers in the digital space, has been acquired by Allianz X, the digital investment unit of the Allianz Group. The transaction is expected to leverage business synergies in the use of technologies and in the area of customer service.	  A company of Allianz®
Sep 2022	M&A	 	Bregal, a private equity firm, has acquired medavis , the German specialist for radiology information systems and workflow solutions. The deal aims to further expand the core RIS market, continue the geographical expansion and strategic enlargement into overlapping business areas.	 
Sep 2022	M&A	 	Amobee , a marketing technology company, has been acquired by Tremor International, an Israeli strategic acquirer in the same business area. With a consideration of €234m Tremor intends to scale its video advertising ambitions.	 
Sep 2022	M&A	 	The provider of specialized payment products and businesses services, Fleetcor, has acquired Plugsurfing for €75m . The target develops a smartphone-based application that enables electric vehicle drivers to find electric car charging points and pay for charging. The deal reflects the commitment to develop best-in-class electric vehicle solutions.	 
Sep 2022	M&A	 	GeoSLAM , a 3D hand-held mobile mapping technology provider, has been acquired by Faro Technologies, a developer of measurement and imaging devices and software for €47m . GeoSLAM is expected to significantly expand and accelerate FARO's market growth opportunity in the mobile scanning space.	 
AUG 2022	M&A	 	Qt Group, a company which is primarily involved in the software development industry has acquired Axivion for €44m . The target is a German provider of quality assurance software tools. Qt Group's strong global presence and broad customer base across more than 70 different industries provide an excellent foundation for Axivion's growth.	 The Qt Company 
AUG 2022	M&A	 	Maritime Intelligence , a provider of maritime data and intelligence, has been acquired by private equity firm Montagu Private Equity for €459m . The target complements Montagu's portfolio of data and analytics investee companies.	 
AUG 2022	M&A	 	Brightly , a software company engaged with providing cloud-based facility management solution, has been acquired by Siemens from the private equity firm ClearLake Capital Group for €1.8bn . With this transaction Siemens aims to accelerate the growth in digital building operations.	 
JUL 2022	M&A	 	Cancom , a provider of IT consultation services and retailer of computer hardware and software systems has acquired S&L Systemhaus, S&L ITCompliance, and S&L BusinessSolutions. The S&L Group is an ideal regional addition to CANCOM's portfolio, enriching its expertise in managed services, network technologies and IT compliance.	 
JUL 2022	M&A	 	PDFlib , a provider of PDF creation technology, has been acquired by PDFtron Systems, a Canada-based provider of document technology solutions for software developers. With the acquisition PDFTron further expands its presence in Europe.	 

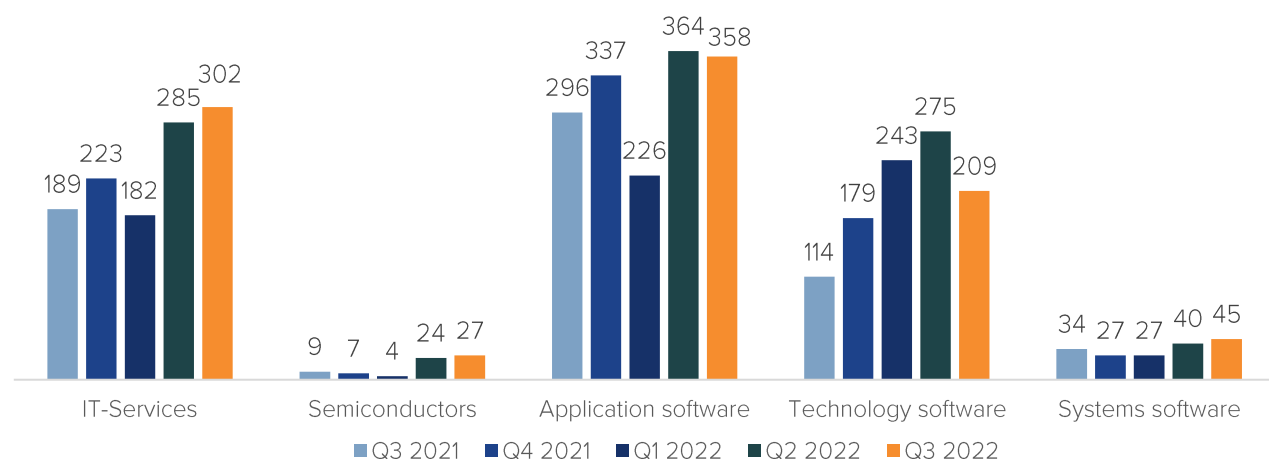
Source: Mergermarket and Oaklins research as of September 2022

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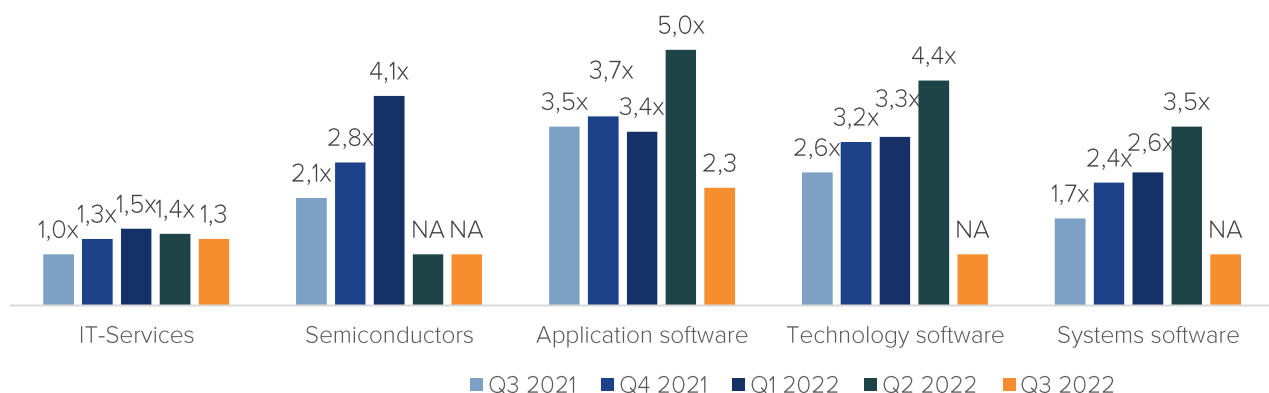
TECH SECTOR M&A TRANSACTION OVERVIEW

Number of M&A transactions in Europe between Q3 2021 and Q3 2022



The European technology market shows stable M&A activity in the third quarter of 2022 and significantly higher levels compared to the third quarter of 2021. Macroeconomic factors impacting current markets strongly seem to slightly affect the appetite for asset-light business models in the TMT market.

M&A transaction multiples¹ between Q3 2021 and Q3 2022 (Enterprise Value/Sales²)



The TMT market in Europe has seen a slight decrease in valuation metrics as the macroeconomic situations and arising crises impact the current market environment. Generally, most segments show lower valuation multiples in regard to the last quarter and to Q3 2021.

Source: Capital IQ as of September 2022

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

2) Reported as LTM figures

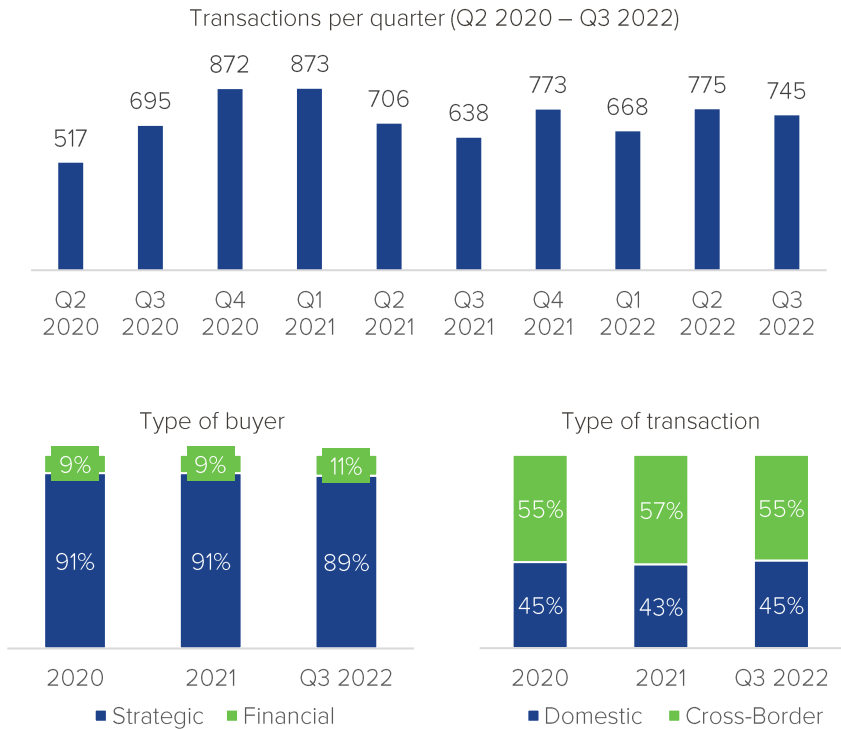
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M&A TECH TRANSACTION ACTIVITY

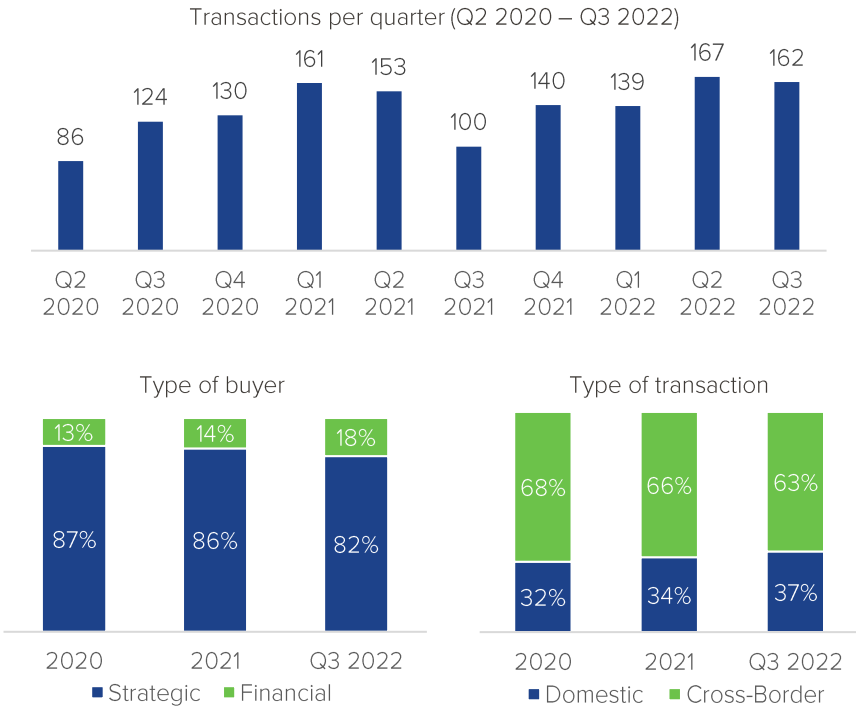
Transaction overview in Europe



The macroeconomic impact on the broader economy has not significantly affected the European M&A activity in Q3 2022. The number of transactions only decreased by 4% in comparison to Q2 and show a higher number in comparison to Q3 2021.

In Europe, strategic buyers are the most active players and aim to realize product, geographical and market share synergies in the TMT market. In comparison to 2020 and 2021, financial investors have acquired more software-related targets and seem to slightly prefer asset light business models in 2022.

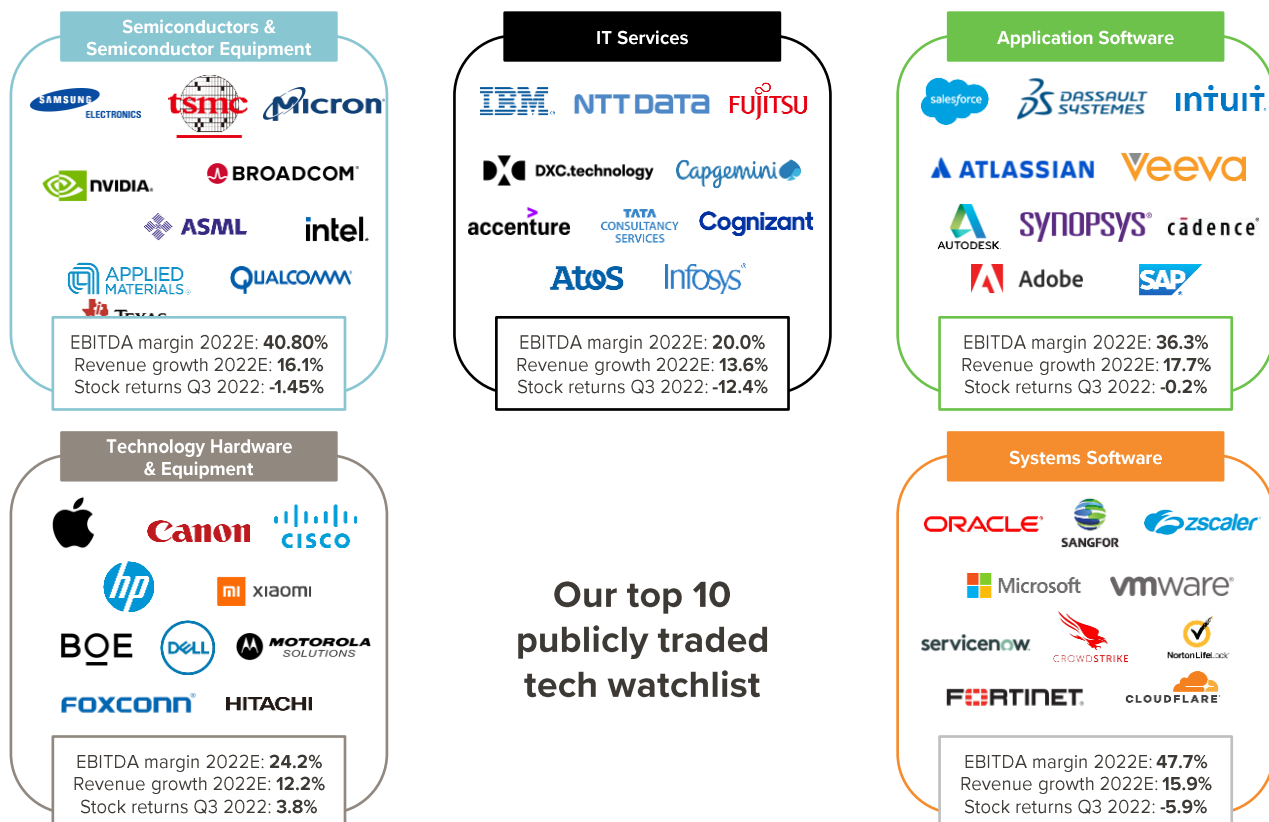
Transaction overview in Germany



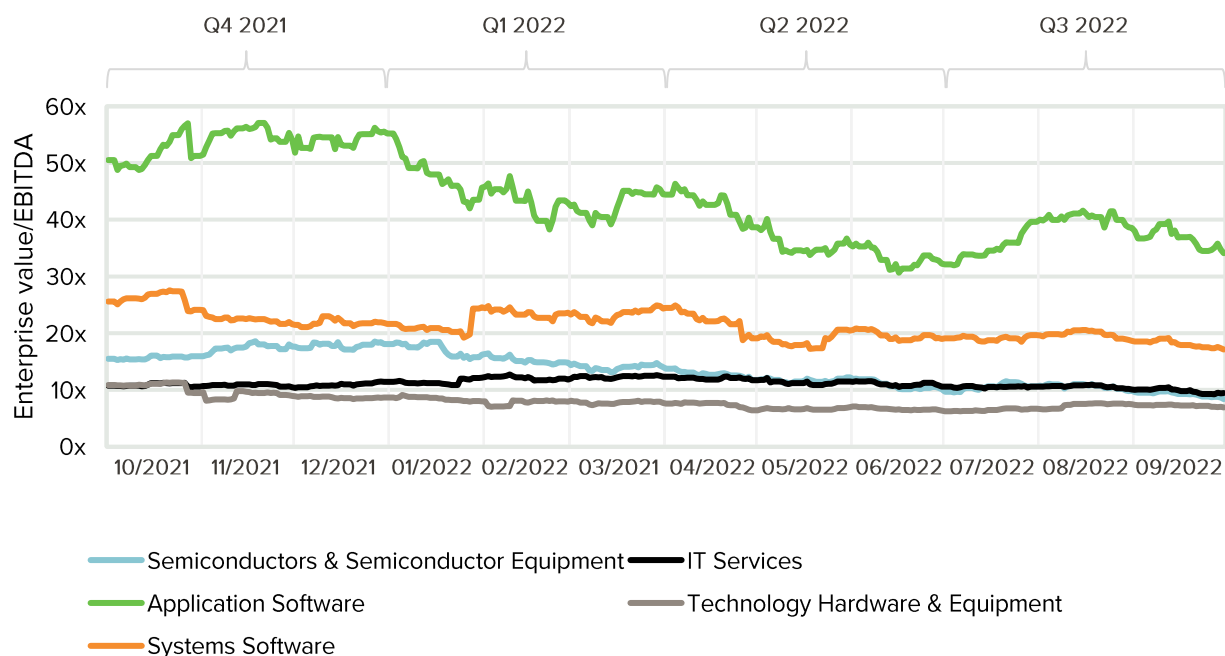
The high M&A activity in 2022 is stable in the third quarter and shows the attractive German company landscape and prevailing takeover possibilities.

In Germany, strategic buyers continue to be the dominant acquirer. However, financial investors increase their share to approx. 1 in 5 transactions. Cross-border deals have slightly increased in Q3 in comparison to Q2.

TECH SECTOR VALUATION (PUBLIC COMPANIES)



EV/EBITDA¹ Multiples Tech Subsectors



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

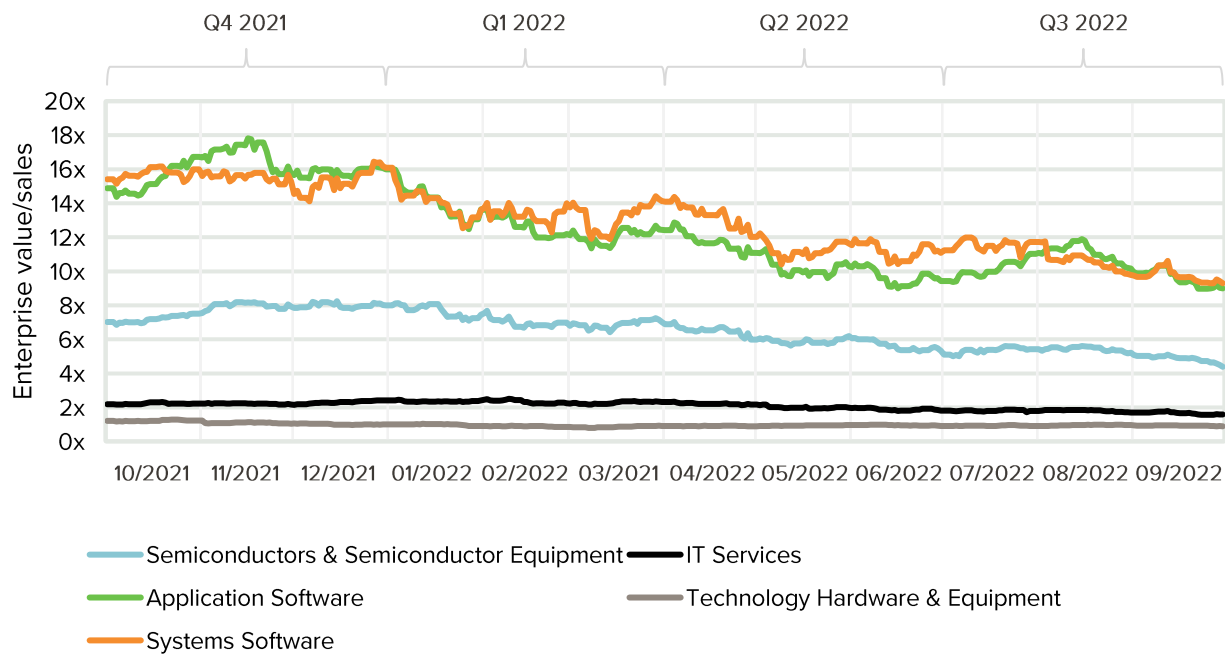
Notes: 1) Daily total EV divided by lease and affiliate income adj. LTM EBITDA as of 30-September-2022 (Capital IQ)

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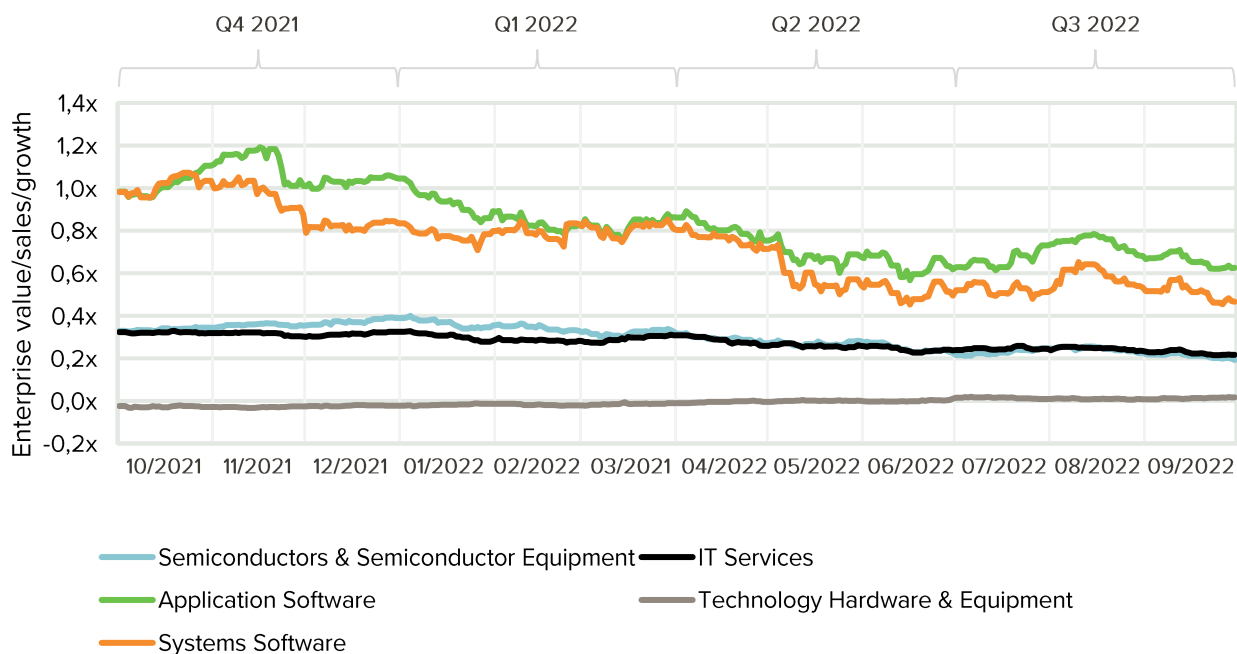
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TECH SECTOR VALUATION (PUBLIC COMPANIES)

EV/Sales Multiples¹ Tech Subsectors



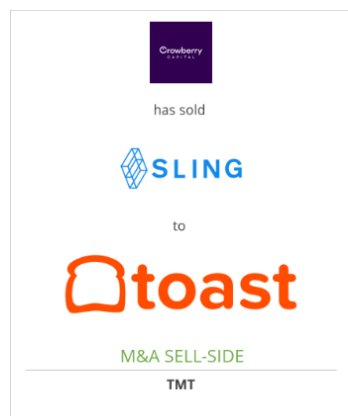
EV/Sales/Growth² Multiples Tech Subsectors



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

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

OAKLINS' TECH DEAL OF THE QUARTER



July 2022

Software company Sling Inc. has been acquired by Toast Inc.

Sling, a leading employee scheduling, communication and management solution, has been sold in an Oaklins-led transaction to Toast, the cloud-based all-in-one digital technology platform built for restaurants. The addition of Sling adds to Toast's growing suite of Toast Payroll & Team Management products, including Toast Payroll, Toast Tips Manager and Toast Pay Card & PayOut.

Through features including scheduling templates, in-app messaging and multi-location team management, Sling helps restaurants staff more efficiently and better manage labor costs and helps increase employee job satisfaction.

Toast provides a single platform of software as a service (SaaS) products and financial technology solutions that give restaurants everything they need to run their business across point of sale, operations, digital ordering and delivery, marketing and loyalty, and team management.

Oaklins' TMT team in New York acted as the exclusive financial advisor to Sling Inc. in this transaction.



OAKLINS' TECH SECTOR TRANSACTIONS Q3 2022

Helmes

has acquired

TeleSoftas

M&A BUY-SIDE
TMT

September 2022

M80™

has acquired a majority stake in

luminis
Connecting worlds

M&A BUY-SIDE
Private Equity/TMT

September 2022

Confirma Software

has acquired

Quick systems

M&A BUY-SIDE
Private Equity/TMT

August 2022

onza

has been acquired by

garbo
PRODUZIONI

M&A SELL-SIDE
TMT

July 2022

PSG

has made a strategic growth investment in

RODEO

M&A BUY-SIDE
Private Equity/TMT

July 2022

esc

has been acquired by

Capital-A
INVESTMENT PARTNERS

M&A SELL-SIDE
Private Equity/TMT

July 2022

ØkonomiBistand

has acquired

Direktkonsult

M&A BUY-SIDE
Private Equity/TMT

July 2022

Crowberry

has sold

SLING

to

toast

M&A SELL-SIDE
TMT

July 2022

VITEC
vertical software

has acquired

ABS Laundry Business Solutions

M&A BUY-SIDE
TMT

July 2022

Oktey

has been acquired by Vincent Saint-Martin and

Ciclad
Partenaire de Croissance

M&A SELL-SIDE
Private Equity/TMT

July 2022

CELFINET

has been acquired by

CYIENT

M&A SELL-SIDE
TMT

July 2022

total specific solutions
VERTICAL MARKET SOFTWARE

has acquired

algardata

M&A BUY-SIDE
TMT

July 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)

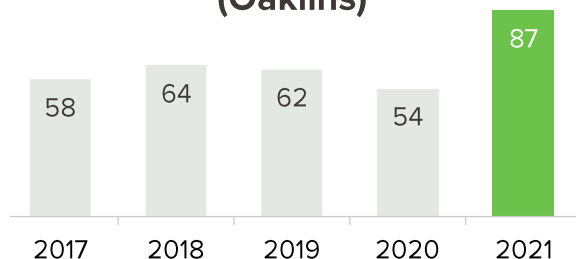
325

Transactions
closed

40%

Cross-border
transactions

No. of Tech transactions per year (Oaklins)



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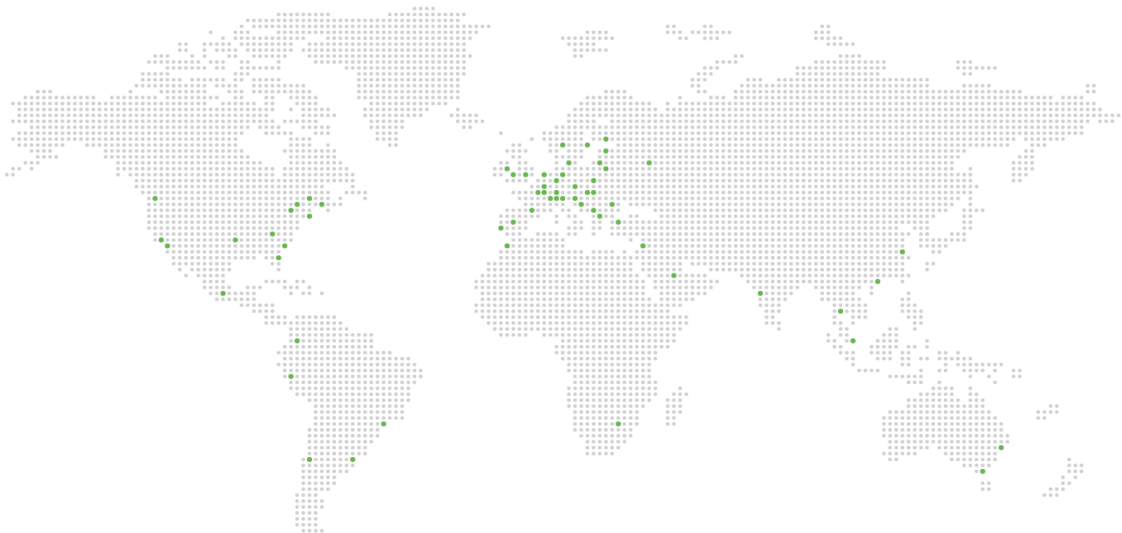
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