
Nordic Tech M&A Outlook

Software and IT Services & Consulting market

Q3 2022

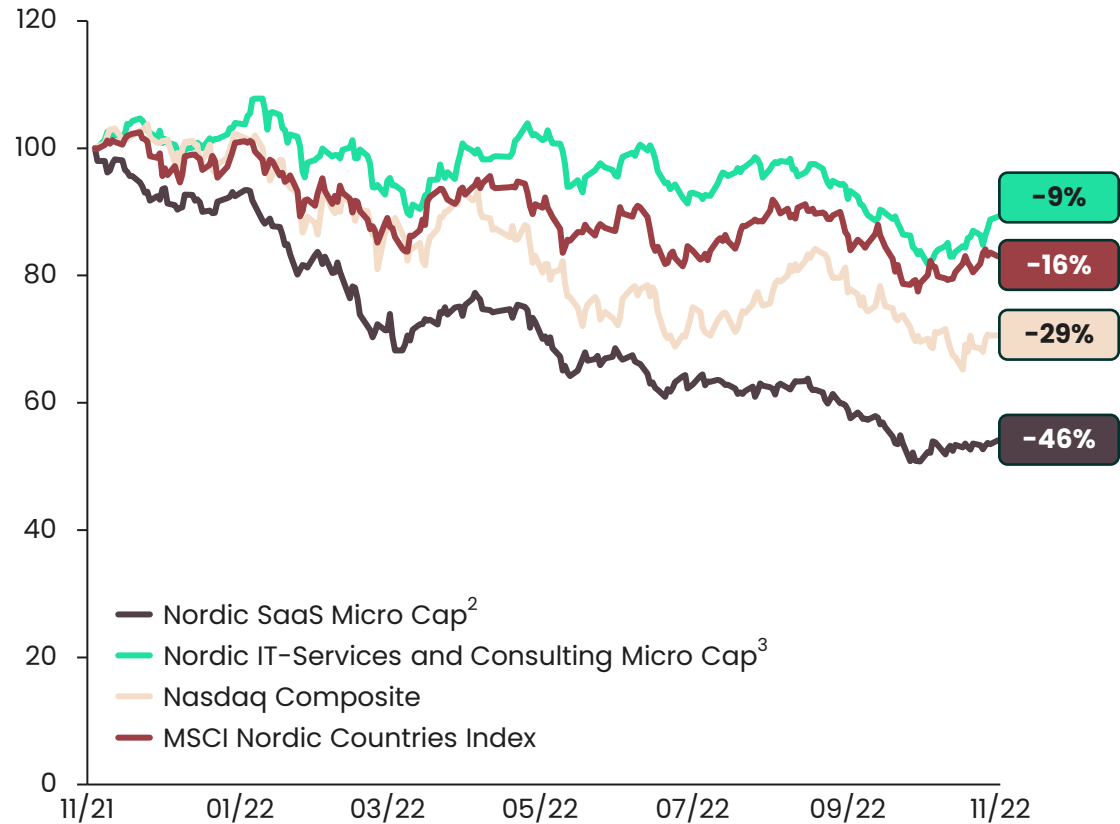


Key highlights from Q3

- **111 transactions** within tech were executed in Q3 2022, down 13% from Q3 2021. Despite a recent slow down in the Nordic tech M&A market, volumes are still high compared to pre-covid levels.
- **Software companies with healthy profitability are** still highly attractive. The SaaS index is down 46% LTM, which has created a good opportunity for **public to private** transactions.
- Tech consulting services and providers such as ERP specialists, BI & analytics and digital agencies have still seen a high demand in the last quarter. Pricing has fallen with approx. 9% LTM for public listed companies.
- Stratema also note the **continuation of strong cross-border activity**, in particular for the Nordic software market. There has been a **substantial number of non-Nordic acquirers over time**, in particular from across the Atlantic.

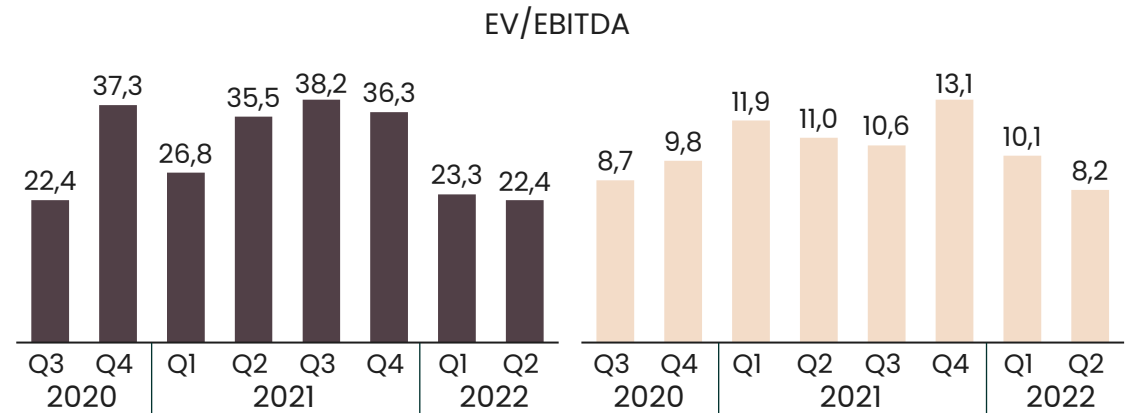
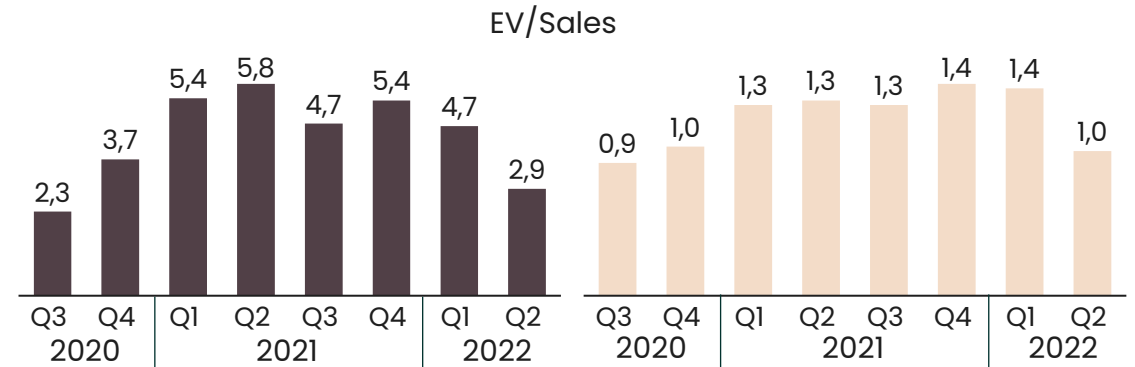
Development in Nordic public tech LTM¹

Indexes



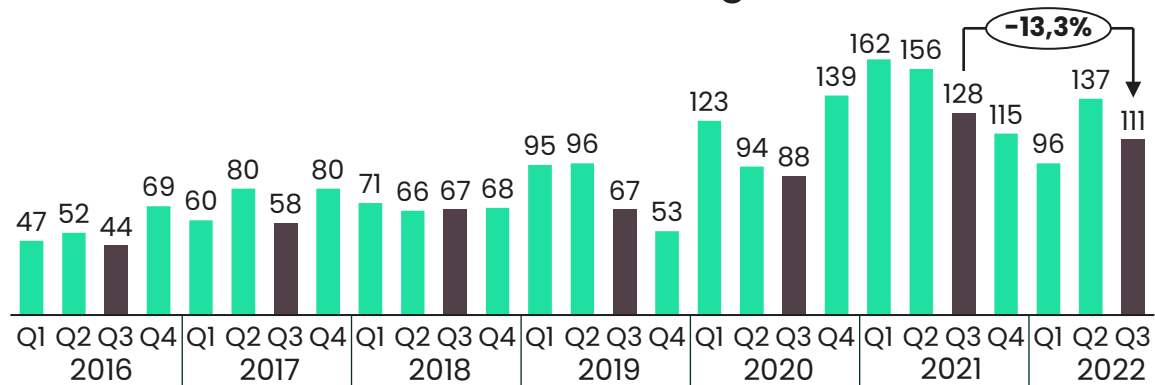
Nordic public SaaS multiples

Nordic public IT Services multiples

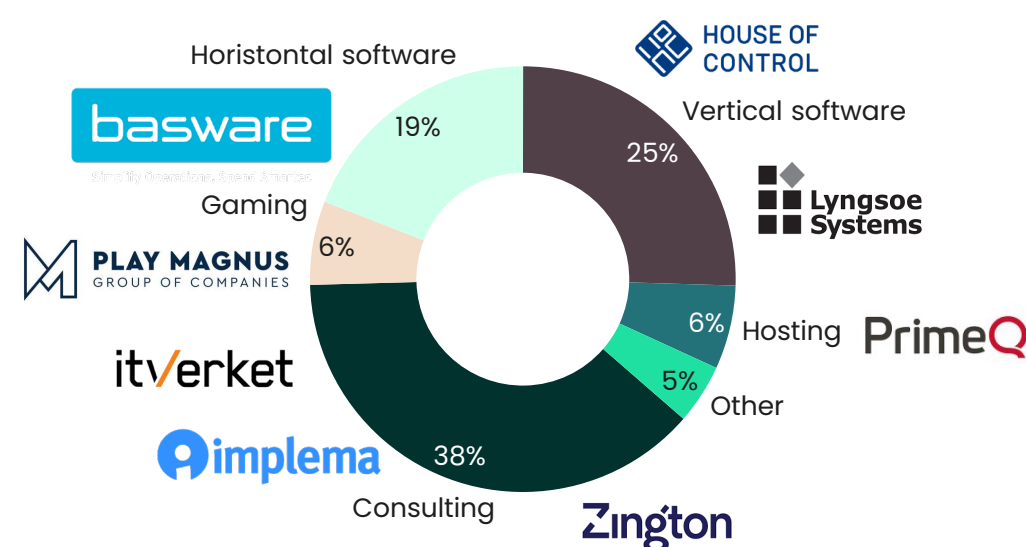


Still high M&A tech volume compared to pre-covid level

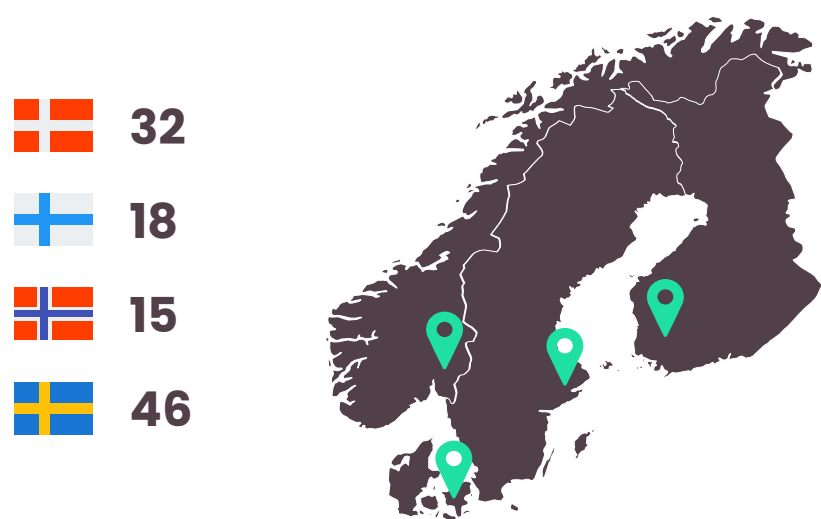
M&A transactions Nordic tech targets



Q3 transactions by Stratema-class



Q3 transactions by Nordic country (target)

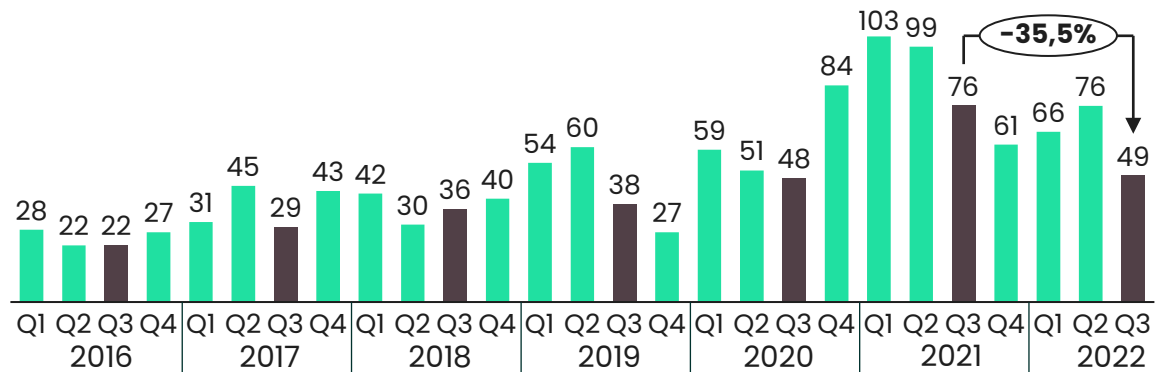


Nordic Private tech M&A multiples LTM¹

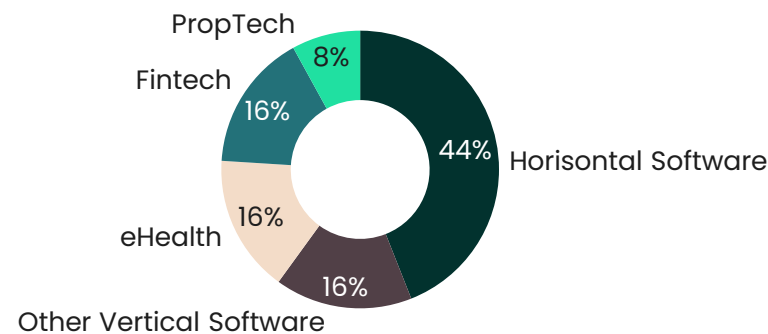
	SaaS	IT-consulting
Med. EV/Sales	3.4x	1.0x
Med. EV/EBITDA	12.5x	9.6x

Fall from 2021 record levels

M&A transactions Nordic software targets



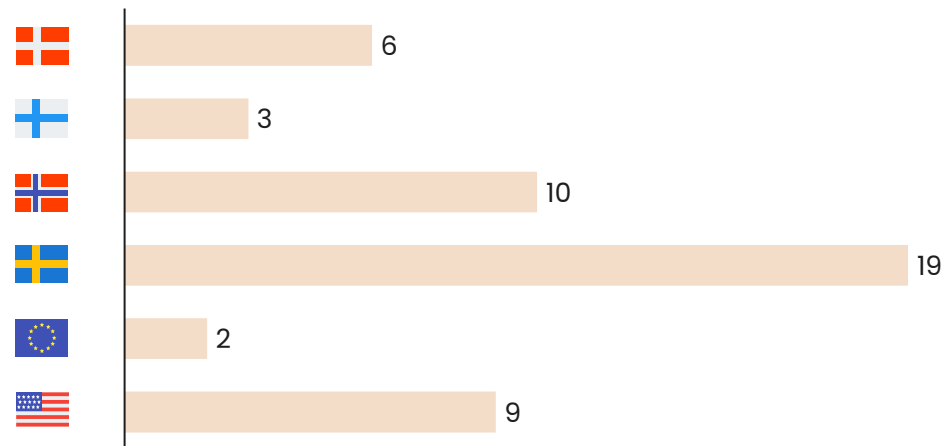
Q3 transactions by Stratema-class



Key transactions this quarter

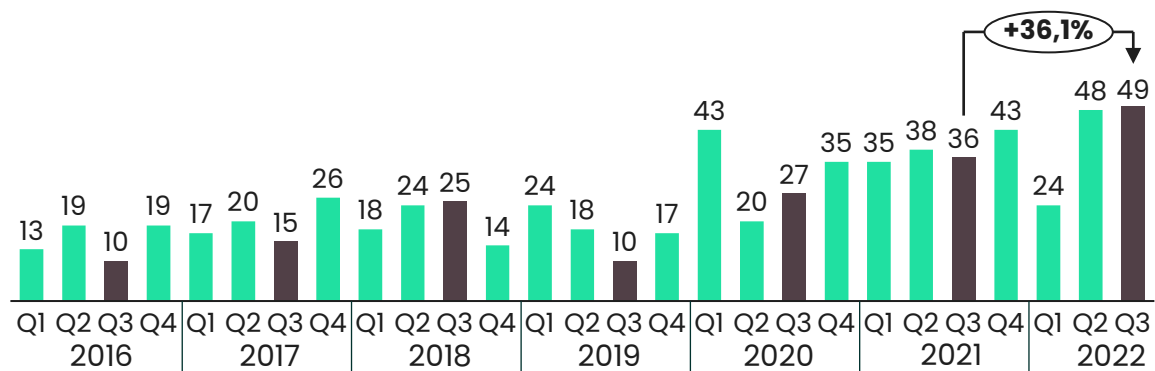
Target	Description	Buyer	Sales (MEUR)	Type
Lyngsoe Systems	Automation for libraries	Accent Equity	41.1	PE
IDNET	Project management	Lexit group	23	Add-on
HOUSE OF CONTROL	CFO Software	VISMA	17.7	PE-Backed
Miradore	MDM Platform	GoTo	16	Add-on
Netigate	Employee feedback software	GRO	8.2	PE

Nationality of buyers of Nordic targets Q3



M&A volume remains strong

M&A transactions Nordic IT services targets



Key transactions this quarter

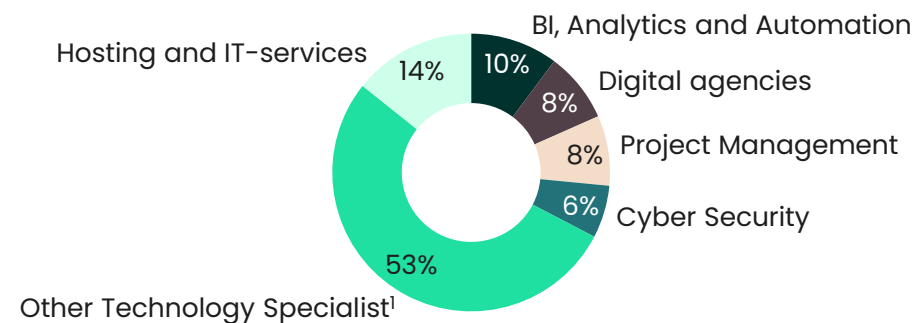
Target	Description	Buyer	Sales (MEUR)	Type
Zington	IT, design and management	VASS	32	Add-on
itverket	Project management	omega point	20	Add-on
implema	SAP & Microsoft	Litorina	29	PE
Ascend	BI and process management	knowit	8.3	Add-on
NETOX	IT-solutions with a focus on cybersecurity	CapMan	15.7	PE

stratema.

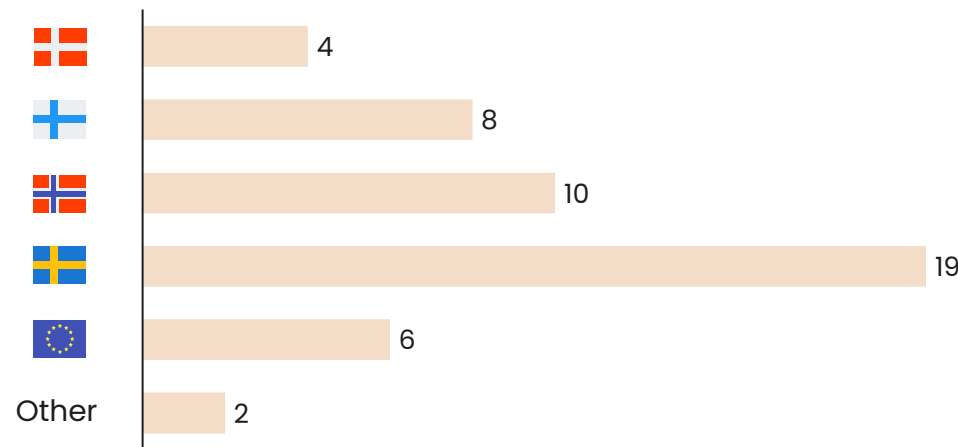
Sources: Stratema Transaction Database

Note 1) Includes consulting firms specializing in various services such as ERP implementation, software development, digital strategy

Q3 transactions by Stratema-class

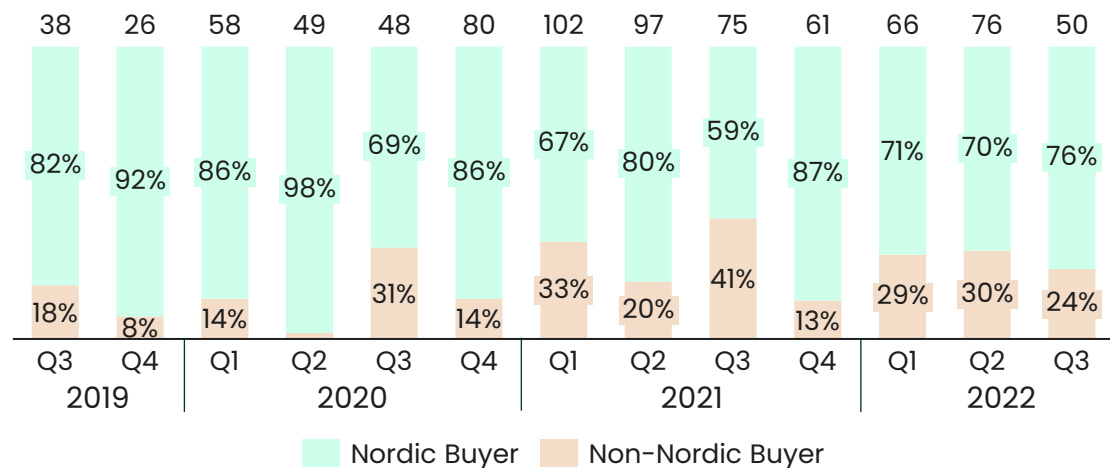


Nationality of buyers of Nordic targets Q3

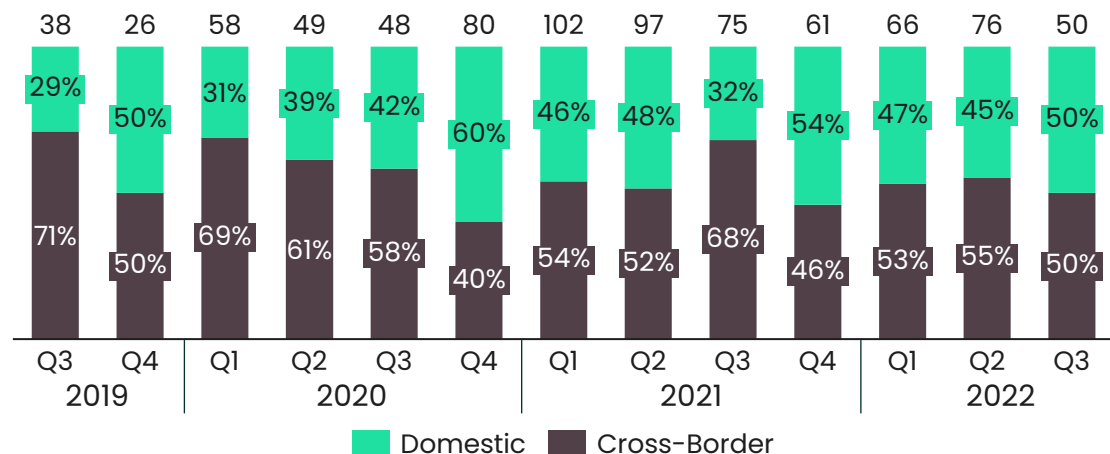


High degree of software cross-border activity continues

Nordic software M&A activity



- The last quarters have seen a continuation of cross-border transactions within the Nordic software market. Additionally, there has also been a substantial number of European and North American acquirers.
- Stratema previously interviewed a considerable number of market participants regarding current market observations, with several respondents noting increased attention from the San Francisco and Boston areas.



Some notable non-Nordic acquirers Q3

Target	Sales (MEUR)	Buyer
	21	
	153	
	32	
	16	

Appendix



Tech transaction database

- Stratema's M&A transaction database is a result of years of extensive research, focusing on the Nordic technology market.
- Continuous updates are made using various external resources, proprietary research as well as from communication with market participants.
 - Database inception: 2015
 - 7800 M&A transactions
 - 4000 Nordic M&A transactions
 - Nordic target focus



About Nordic Tech M&A Outlook

- Stratema's quarterly M&A outlook covers the Nordic SME technology private market, with a focus on software, IT services and hosting, as well as tech consulting.
- All data from private M&A transactions are sourced from Stratema's proprietary transaction database. For any inquiries regarding the quarterly report, please reach out to:

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