
Nordic Tech M&A Outlook

Software and IT Services & Consulting market

Q4 2022

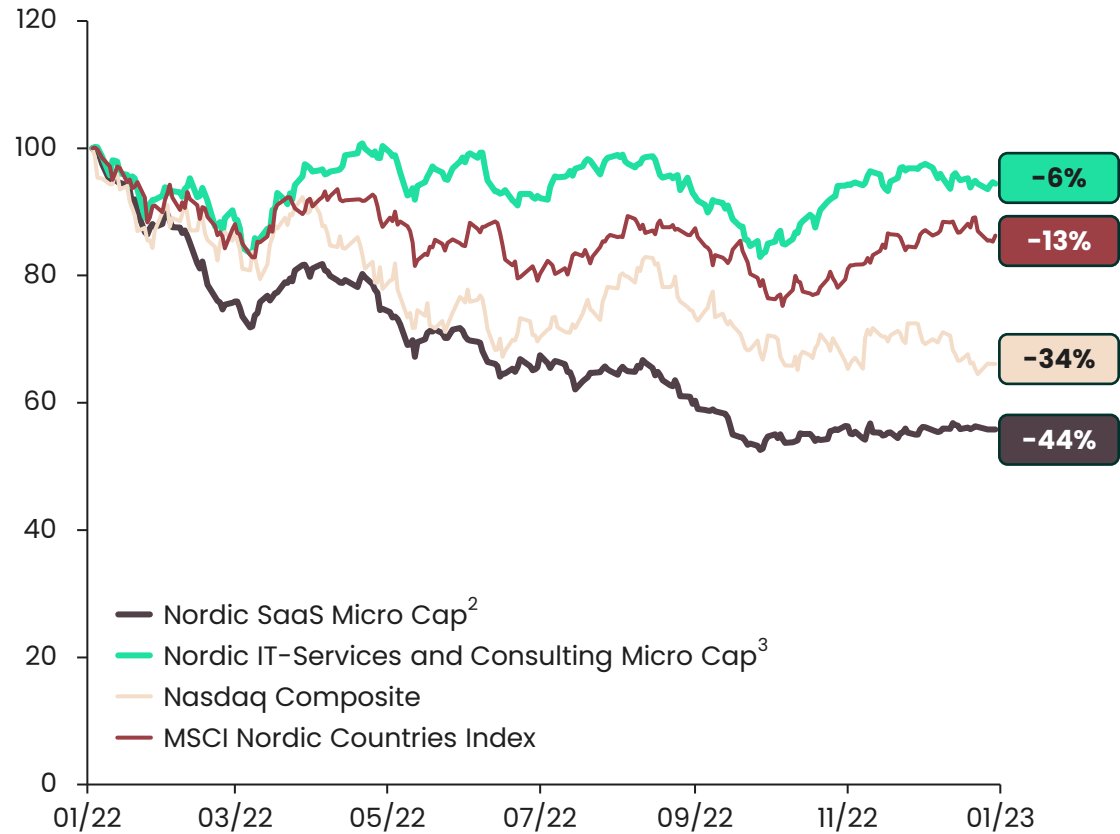


Key highlights from Q4

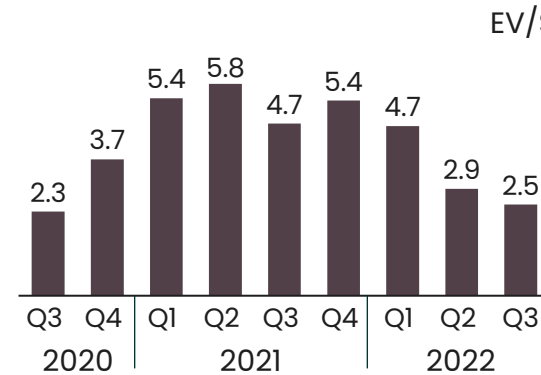
- **93 technology transactions** were executed in Q4 2022, down 19 % from Q4 2021. **444 technology transactions** were executed during 2022, down 21 % from 2021.
- Despite a recent slow down in comparison to 2021, the **number of transactions in 2022 is at par with 2020 figures** and is **still high compared to pre-covid levels**.
- Stratema still sees several opportunities for **public to private transactions**, as both public Software and IT-services & Consulting companies are trading at comparatively low multiples at the end of Q4 2022.
- There is a **strong demand** for tech consultants whose service offering include **digital transformation, design, AI & ML, BI & Analytics** and **cybersecurity solutions**.
- Although somewhat lower compared to 2020 and 2021, **pricing levels for private Nordic SaaS targets are still above pre-pandemic levels**.

Development in Nordic public tech LTM¹

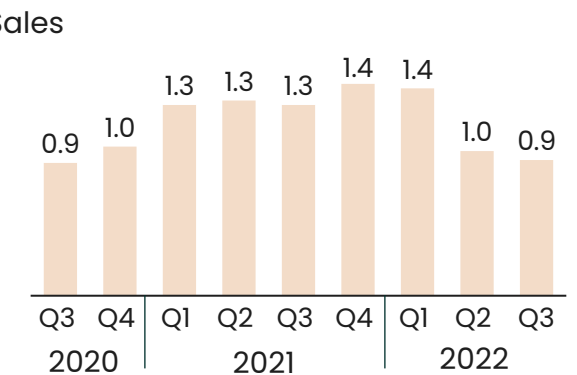
Indexes



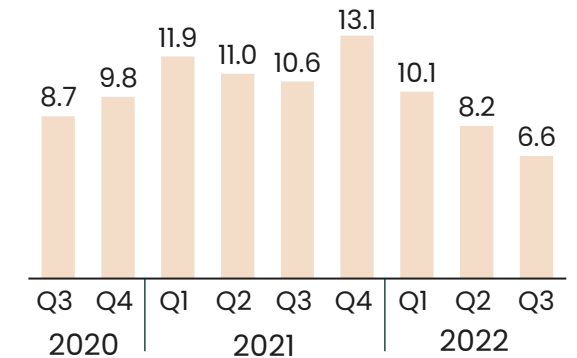
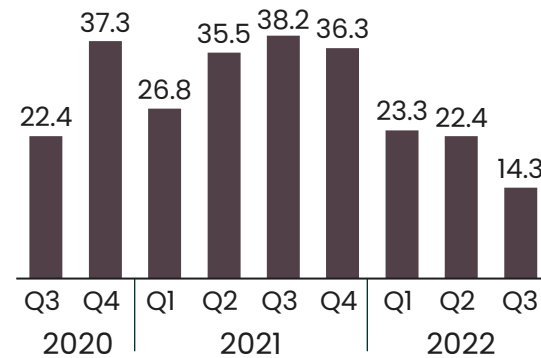
Nordic public SaaS multiples



Nordic public IT Services multiples

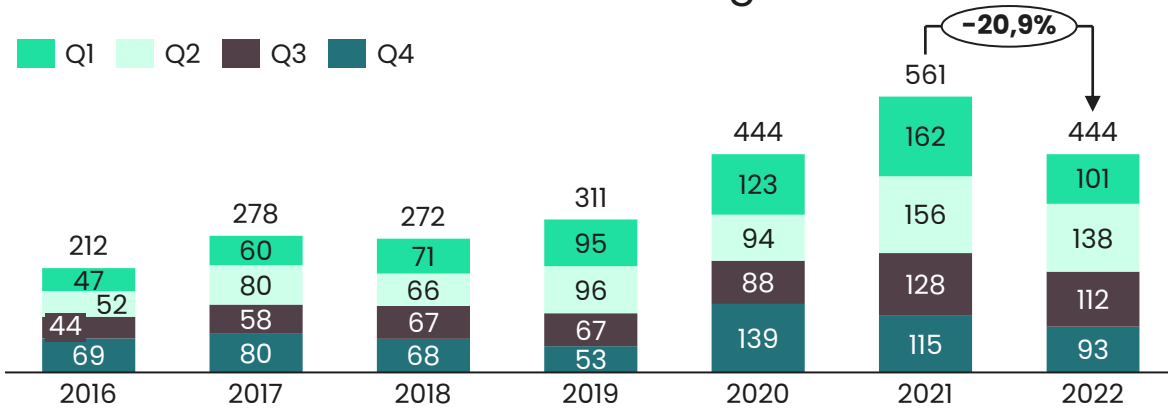


EV/EBITDA

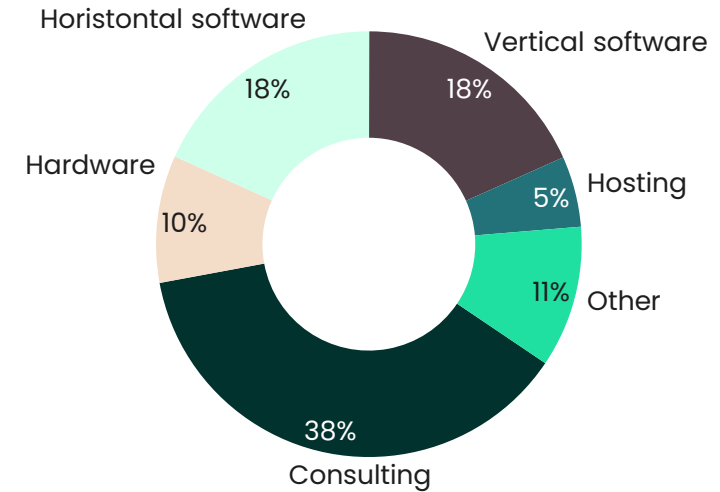


M&A tech transactions at par with 2020 level

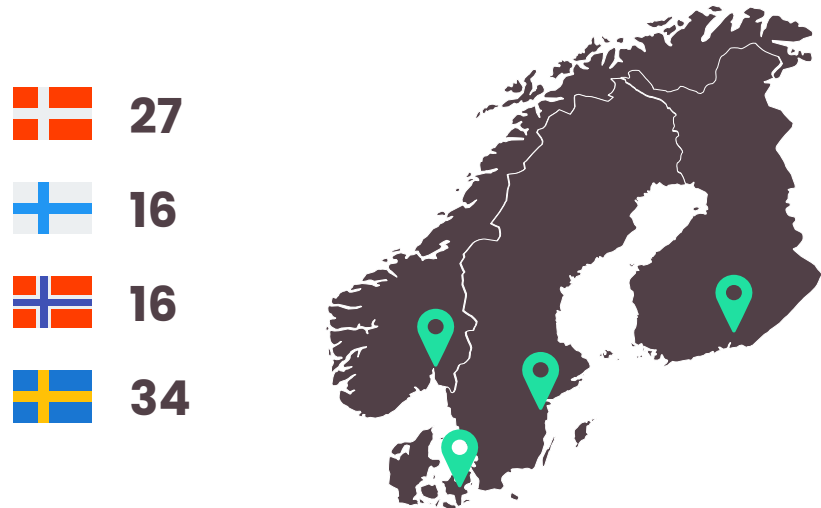
M&A transactions Nordic tech targets



Q4 transactions by Stratema-class



Q4 transactions by Nordic country (target)

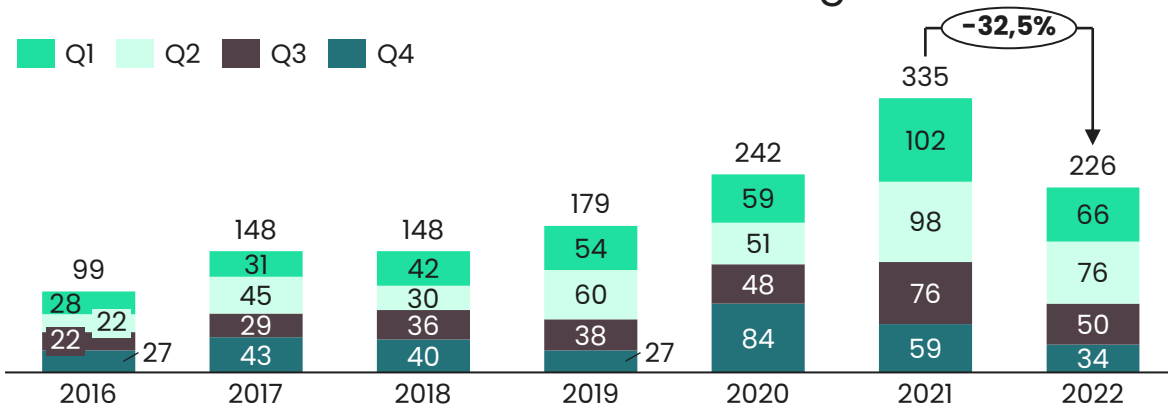


Nordic Private tech M&A multiples LTM¹

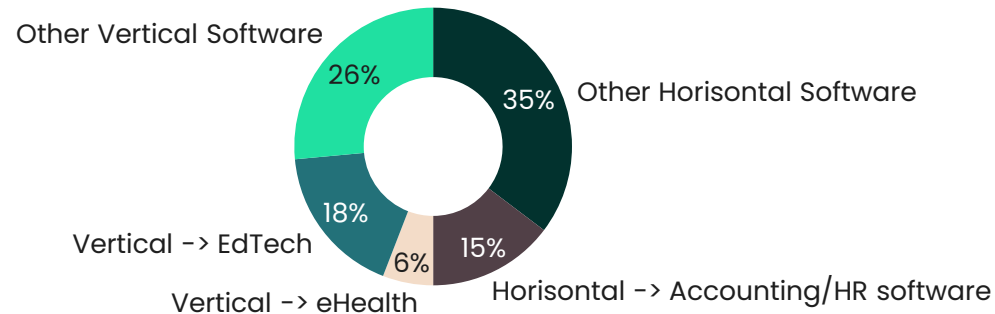
	SaaS	IT-consulting
Med. EV/Sales	2.9x	1.1x
Med. EV/EBITDA	12.3x	9.9x

Continued downwards trend in volume and size

M&A transactions Nordic software targets



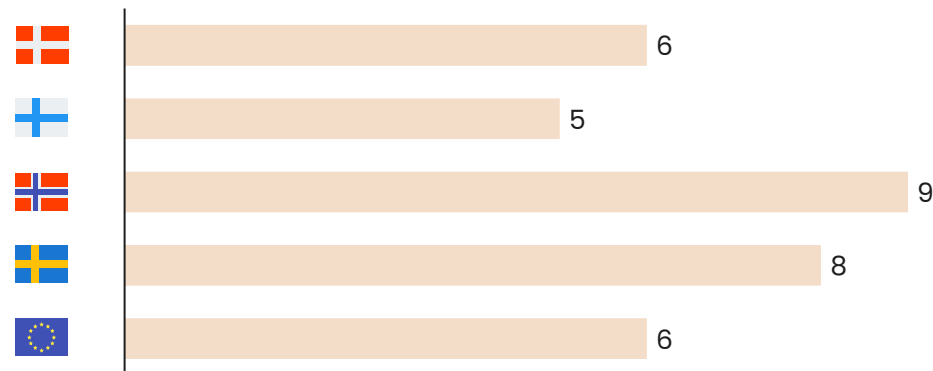
Q4 transactions by Stratema-class



Key transactions this quarter

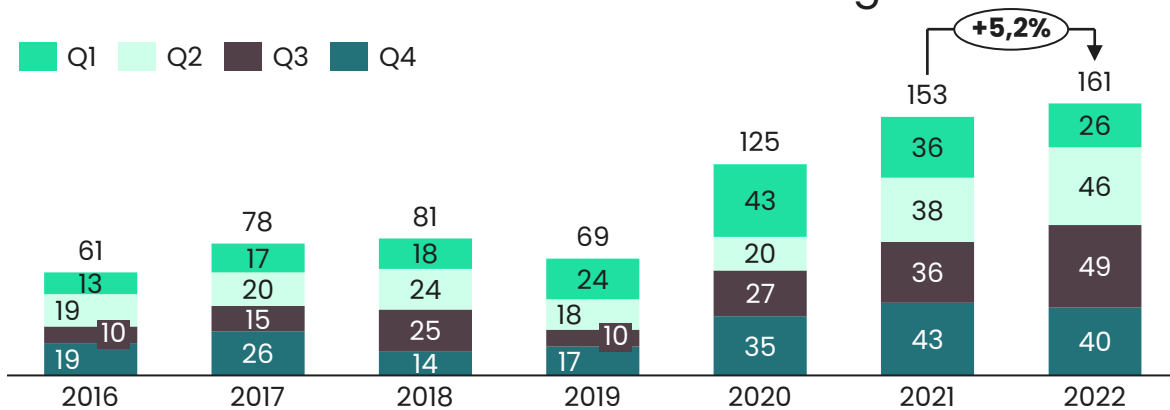
Target	Description	Buyer	Sales (MEUR)	Type
FLEX applications	HRM System	VISMA	15	PE-Backed
Heeros	Business Management	VIKING VENTURE	9.1	PE
timeplan	HRM System	MAIN CAPITAL PARTNERS	7.2	PE
Studeo	E-learning platform	KLETT GRUPPE	5.4	Add-on
RAisoft	E-health software	VITEC vertical software	4.9	Add-on

Nationality of buyers of Nordic targets Q4

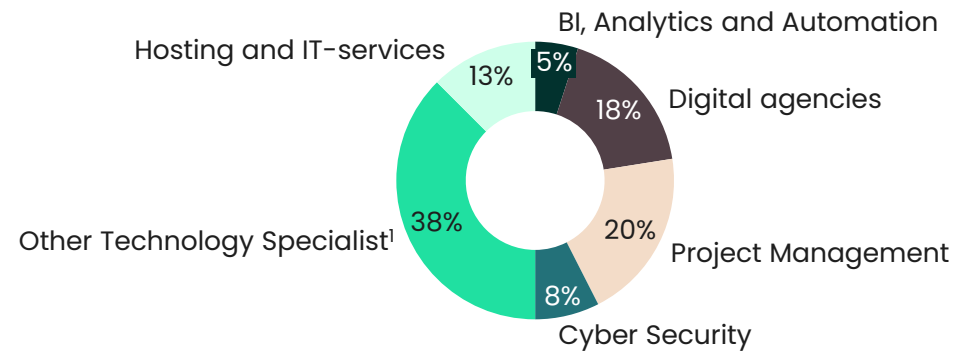


A strong 2022 equals 2021 activity levels

M&A transactions Nordic IT services targets



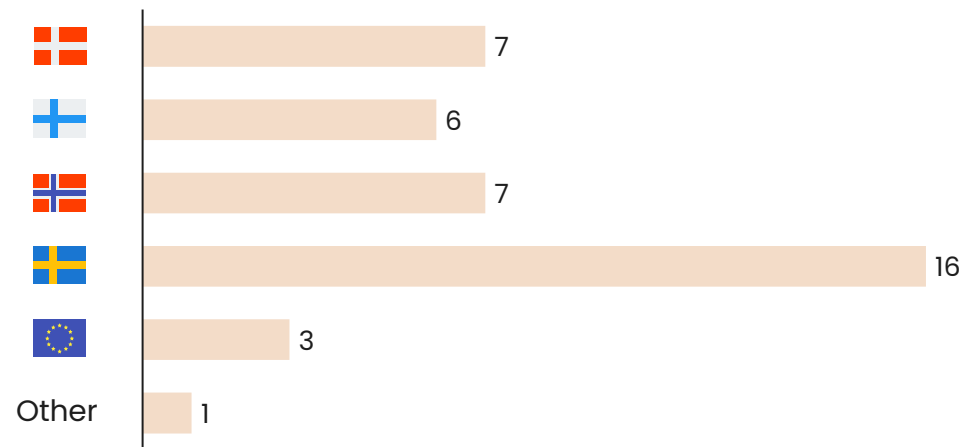
Q4 transactions by Stratema-class



Key transactions this quarter

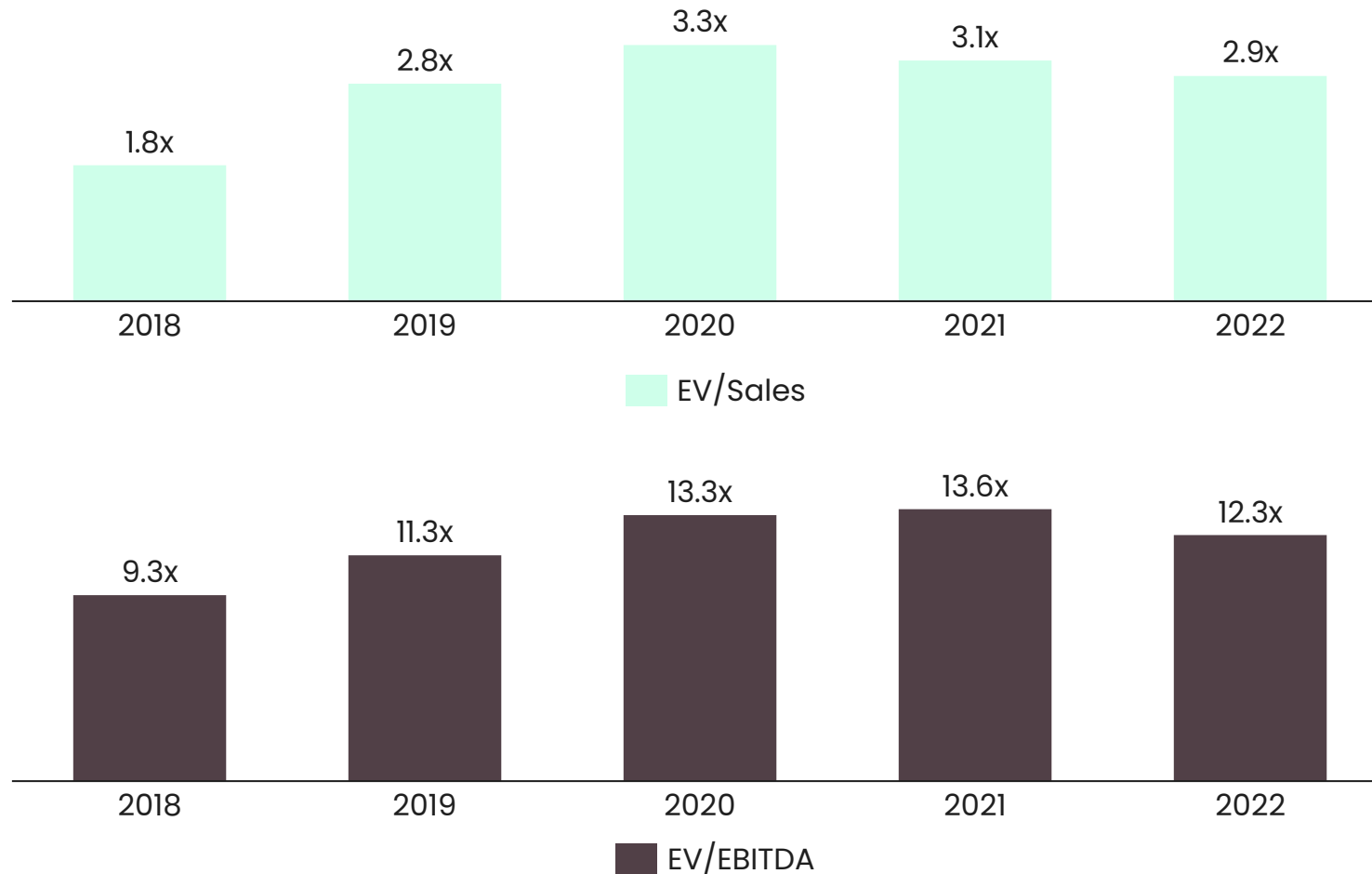
Target	Description	Buyer	Sales (MEUR)	Type
eficode	DevOps specialist	INVESTCORP	150.0	PE
group.ONE	Hosting Service provider	dogado	100.0	Merger
Aderian	IT Service provider	Adelis Equity	95.2	PE
Lytzen IT	IT Service and Hosting	netnordic	14.5	Add-on
INTUNOR	Accounting, HR and Payroll	ecit	10.3	Add-on

Nationality of buyers of Nordic targets Q4



Minor fall in pricing level for private SaaS

Price development Nordic private SaaS M&A transactions



- In addition to a lower activity level in the Nordic SaaS market, pricing levels have somewhat dropped during 2022. Increased cost of capital, inflation and recession fear are likely dominant factors.
- Stratema previously interviewed several market participants regarding price expectations for the upcoming 6-12 months, with several noting a shift in demand from growth to profitability.
- However, like transaction activity, it should be noted that pricing levels for 2022 are still above pre-covid levels.

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
 - 7900+ 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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