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# Nordic Tech M&A Outlook

Software and IT Services & Consulting market

Q1 2023

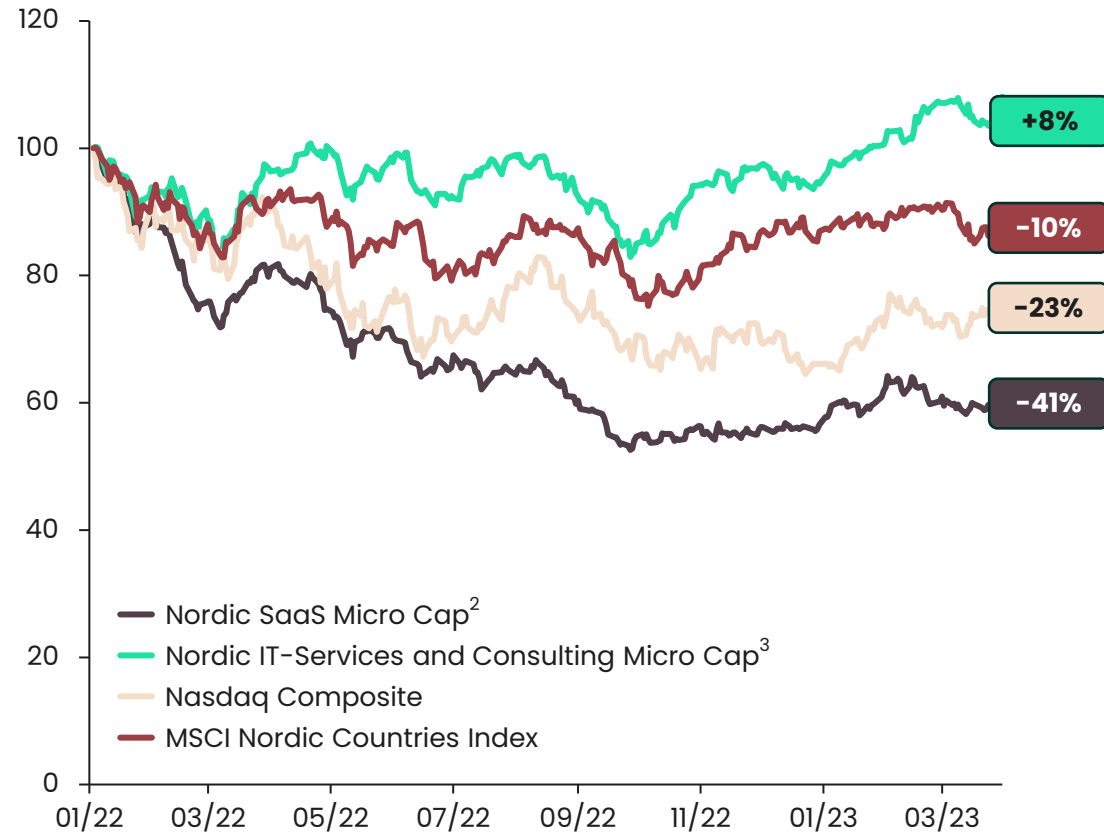


# Key highlights from Q1

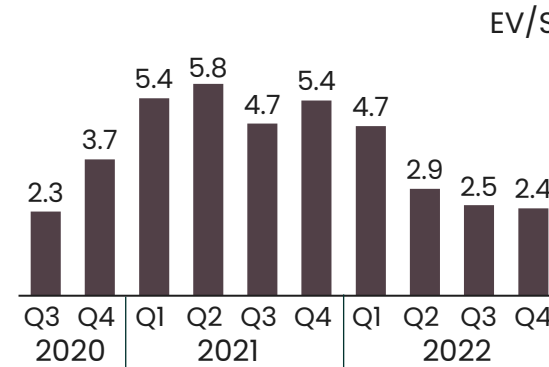
- **71 transactions** within tech were executed in Q1 2023, down 33% from Q1 2022, and down 26% from Q4 2022. In spite of a slow down in the Nordic tech M&A market, **volumes are still on par with pre-covid levels.**
- **SaaS volume remain rather unchanged for Q1 2023 compared to Q4 2022**, with a significant reduction against Q1 2022. Verticals such as PropTech and Contech are still facing high demand.
- **Reduced M&A volume for IT Services and Consulting**, with a **fall of 37%** from Q4 2022. Technology specialists such as developers and ERP/CRM specialists account for majority of transactions.
- **Private equity and sponsor-backed acquirers remain one of the main drivers of Nordic SaaS M&A activity**, accounting for majority of Q1 2023 transactions.

# Development in Nordic public tech LTM<sup>1</sup>

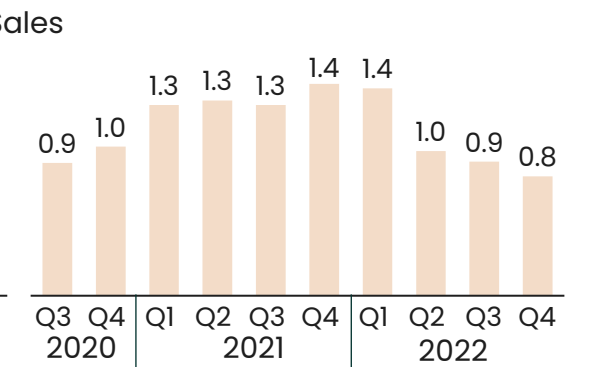
## Indexes



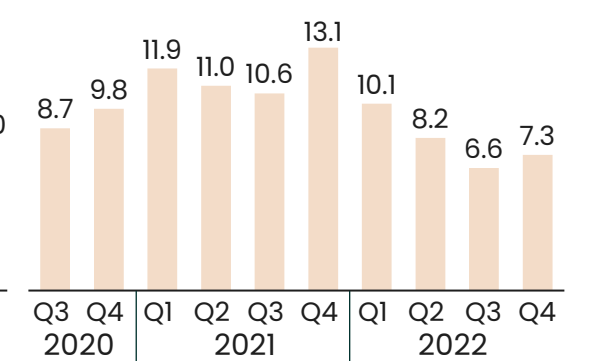
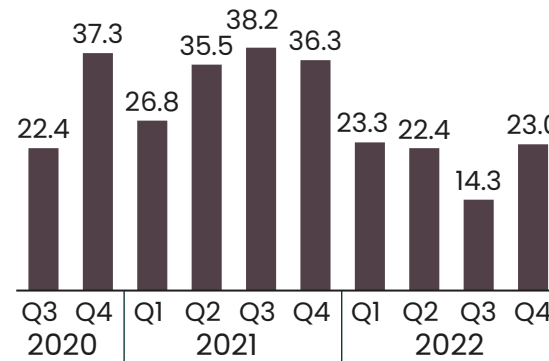
## Nordic public SaaS multiples



## Nordic public IT Services multiples

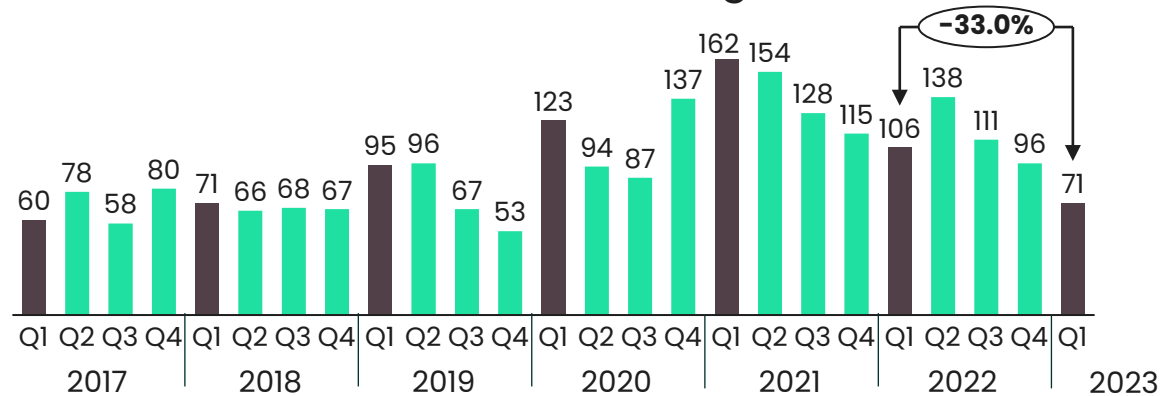


## EV/EBITDA

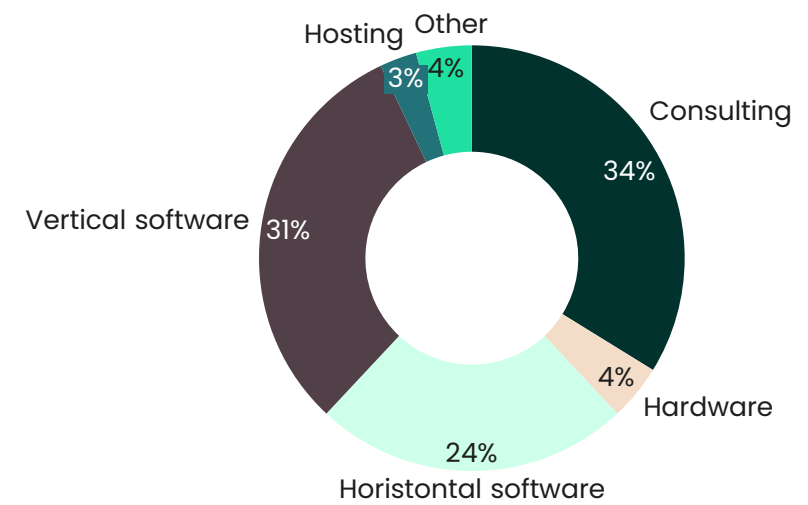


# Somewhat slow start to 2023 compared to 2022

M&A transactions Nordic tech targets



Q1 transactions by Stratema-class



Q1 transactions by Nordic country (target)

-  **20**
-  **12**
-  **17**
-  **22**

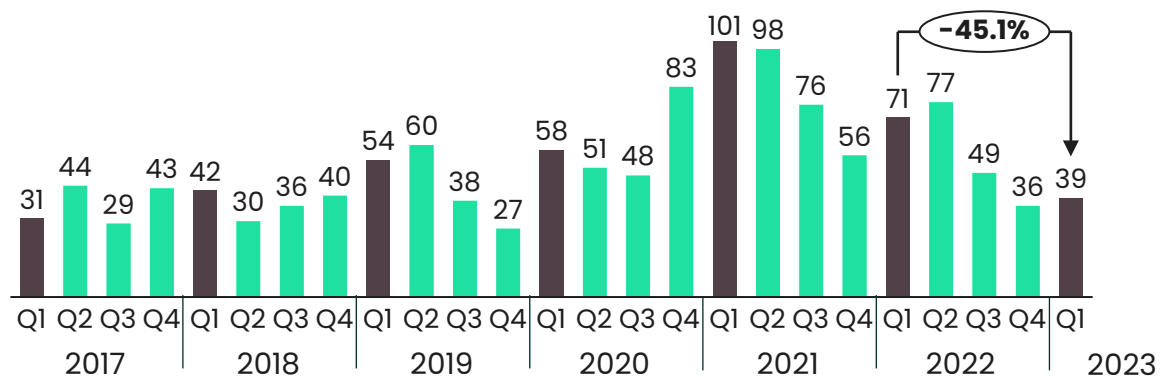


*Nordic Private tech M&A multiples LTM<sup>1</sup>*

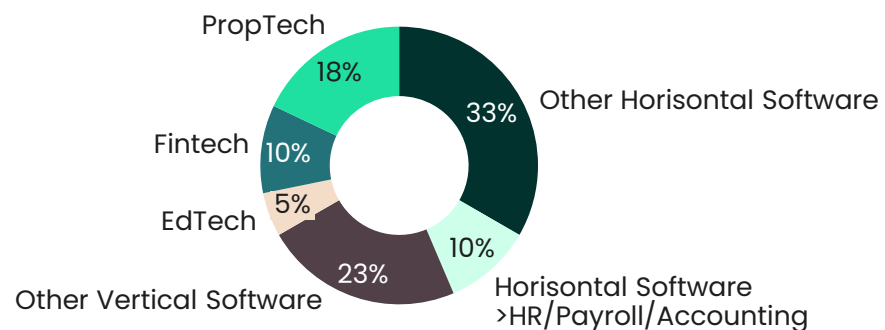
	SaaS	IT-consulting
Med. EV/Sales	3.5x	1.1x
Med. EV/EBITDA	13.8x	9.6x

# Software activity on par with Q4 2022 volume

M&A transactions Nordic software targets



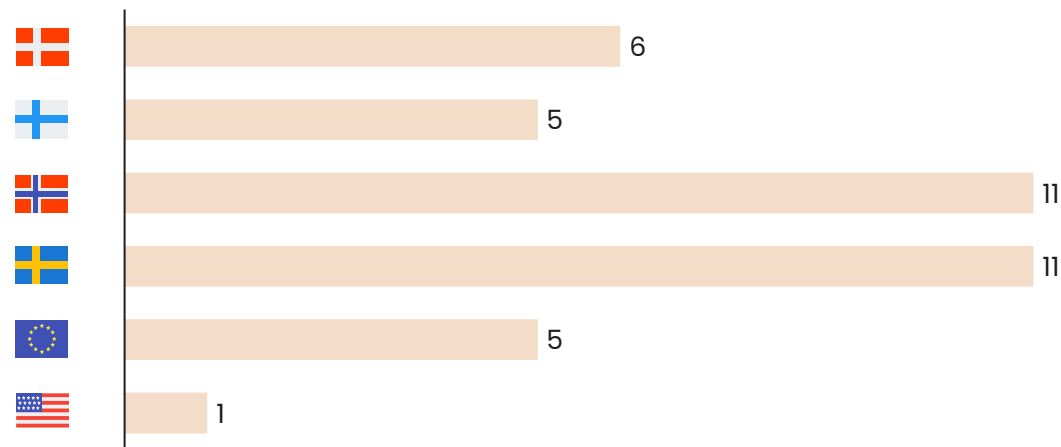
Q1 transactions by Stratema-class



Key transactions this quarter

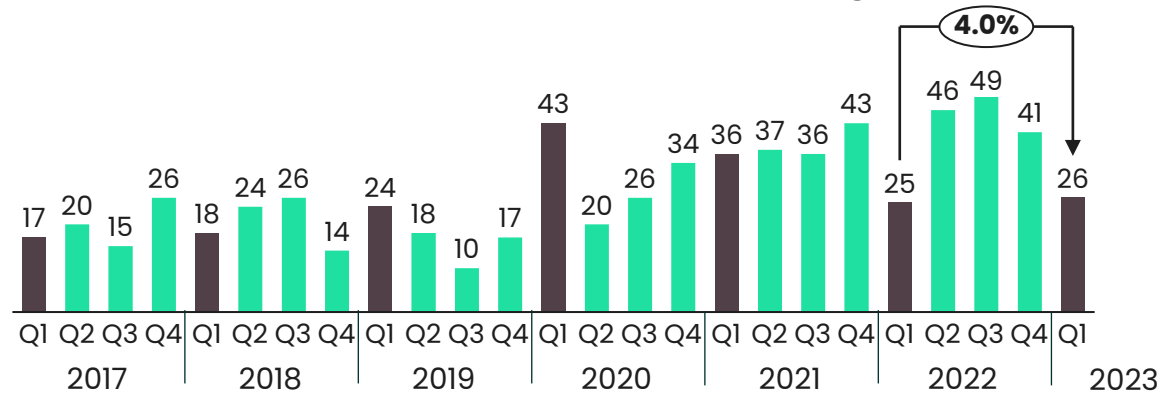
Target	Description	Buyer	Sales (MEUR)	Type
LeadDesk	Contact Centre software (UCaaS)	VIKING VENTURE	28.1	PE
Pasient Sky	Electronic health record system	EG	25.0	PE-backed
Flexfone	UCaaS platform	dstny	14.4	PE-backed
FAST	Real estate software provider	SWG ADDNODE GROUP	8.4	Add-on
COMPUSOFT	Software for camping and hotels	VALEDO	5.6	PE

Nationality of buyers of Nordic targets Q1

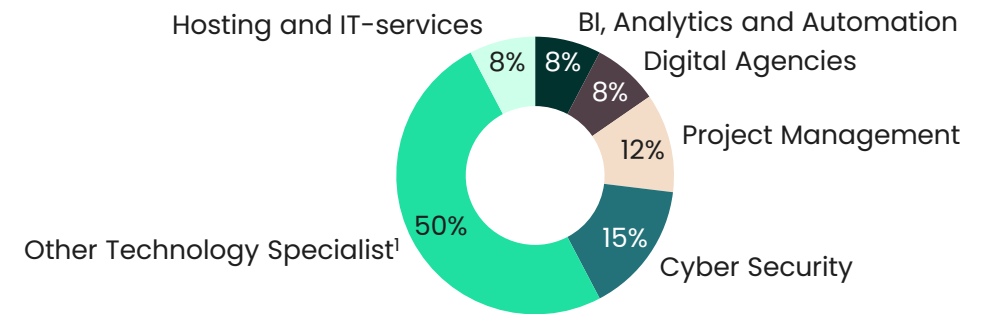


# Fall from Q2-Q4 2022, although similar level to Q1 2022

M&A transactions Nordic IT services targets



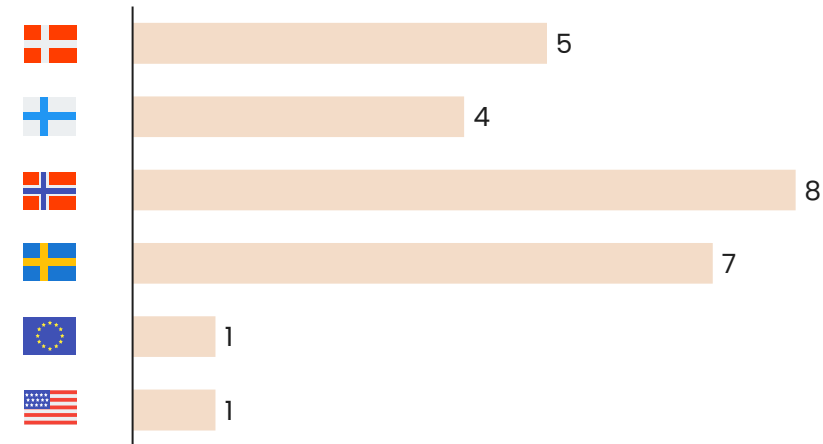
Q1 transactions by Stratema-class



Key transactions this quarter

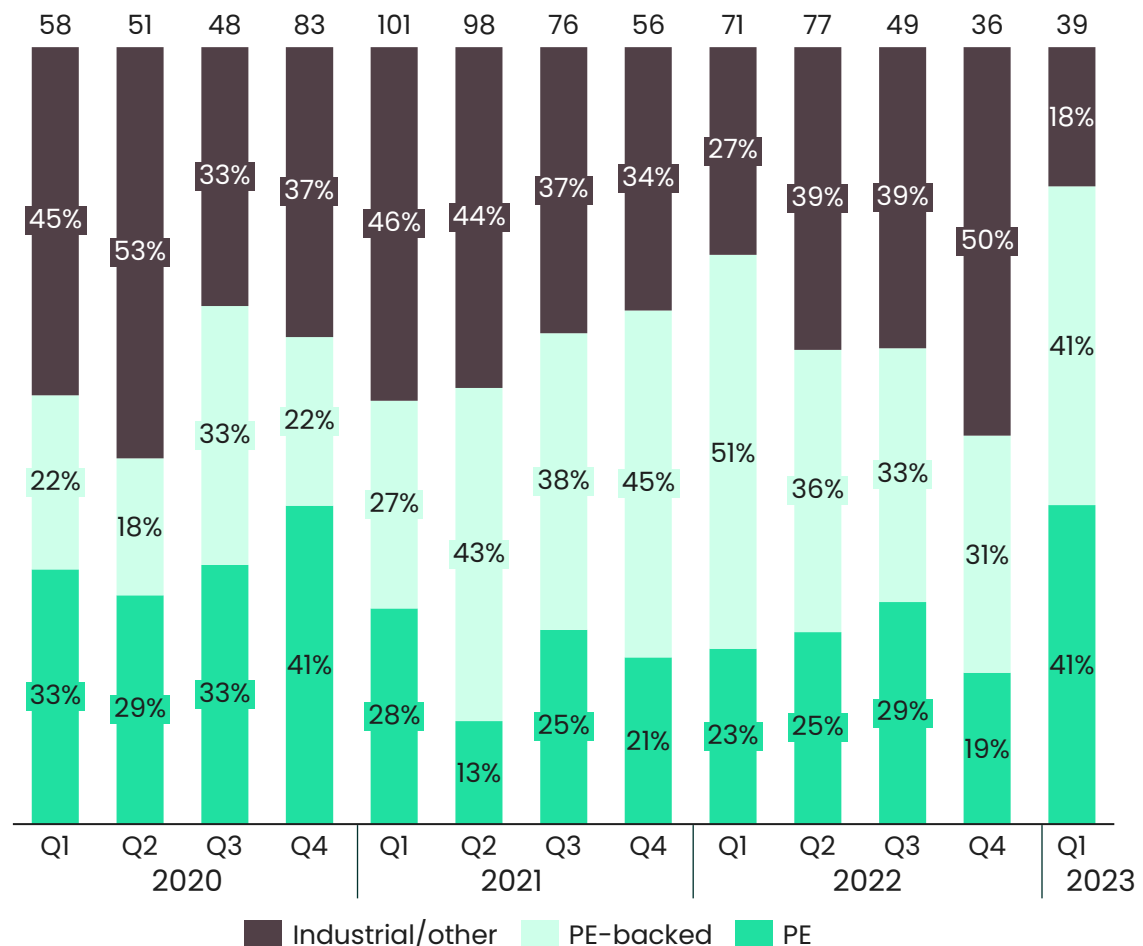
Target	Description	Buyer	Sales (MEUR)	Type
	IT service provider (Nordics)		309.0	PE
	IT Consulting and engineering		79.0	Add-on
	Cyber security specialist		60.2	Add-on
	Digital agency		15.4	PE
	Tech specialist		11.9	PE-backed

Nationality of buyers of Nordic targets Q1



# Private Equity activity remains strong in Nordic SaaS

## Nordic software M&A activity by acquirer type



- Despite a recent slow down in Nordic SaaS transactions, as well as increased cost in capital, private equity and sponsor-backed acquirers still account for majority of all M&A transactions.
- During March 2023, Stratema interviewed an extensive number of market participants including investment banks, private equity firms and M&A law firms in the Nordic tech market, with a large share citing vast amounts of dry powder being the main driver for PE-activity for the upcoming six months.

## Notable PE acquirers Q1

Target	Sales (MEUR)	Buyer
Meltwater	395.0	
Nomentia	22.3	
Agillic	9.0	
LOGPOINT	5.0 <sup>1</sup>	

# 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
  - 8000 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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# Stay in touch!

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