

Q1-2024

Nordic Tech

M&A Outlook

Software and IT Services
& Consulting Market

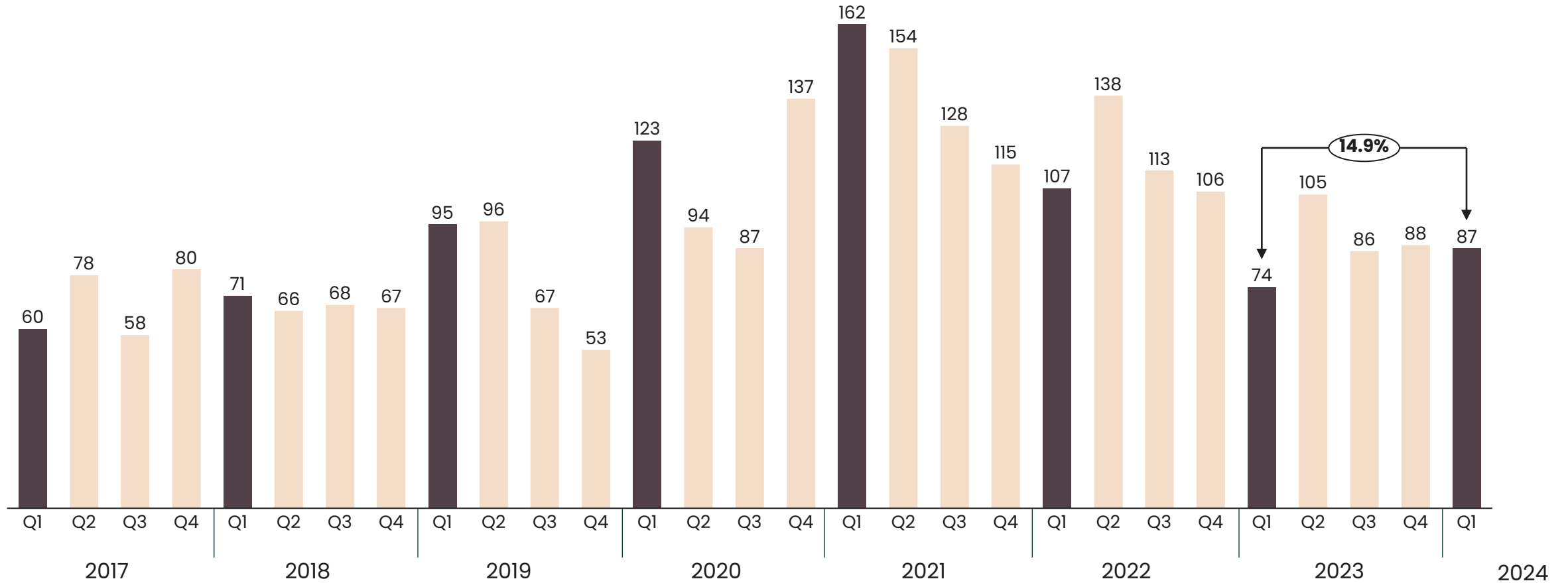
Key highlights from Q1

- The first quarter of 2024 saw 87 executed transactions within the technology industry, which is similar to the previous quarters. Majority of these were SaaS (Software-as-a-Service) targets.
- Public markets have recovered well over the last year, though SME Nordic IT services and consulting companies continue to trade at historically low levels. Public IT consulting SMEs trade at a median of ~8.4x EV/EBITDA, compared to historical levels of ~10-12x EV/EBITDA.
- The last few years have seen a robust SaaS market, with Q1 2024 slightly above LTM average. A total of 57 transactions were executed in the last three months. For IT services and IT consulting, the volume dropped somewhat below the previous quarters, with activity in Q1 2024 being the lowest since Q1 2023. However, Q1 volumes remain on par with pre-covid years.
- Private Equity have remained highly active in the Nordic private SaaS market, with large amounts of dry powder and focus on recurring revenue streams driving volumes.



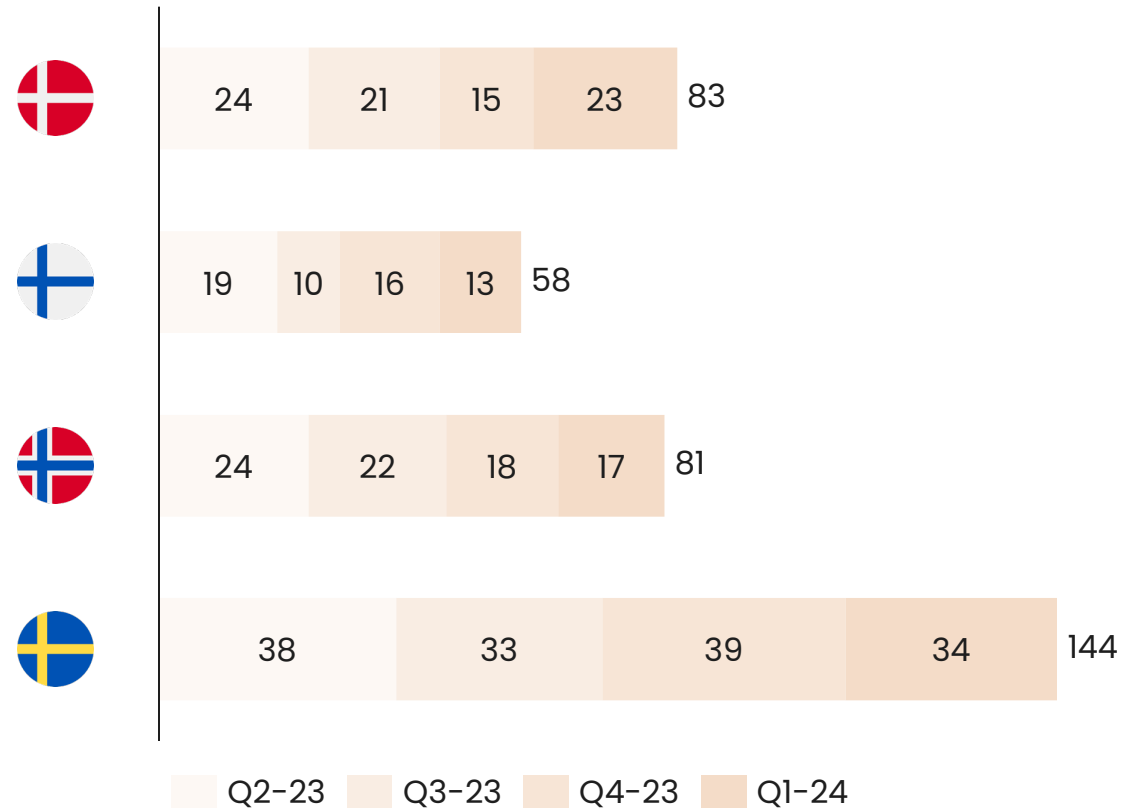
Q1 2024 volume on par with previous two quarters

M&A transactions Nordic tech targets

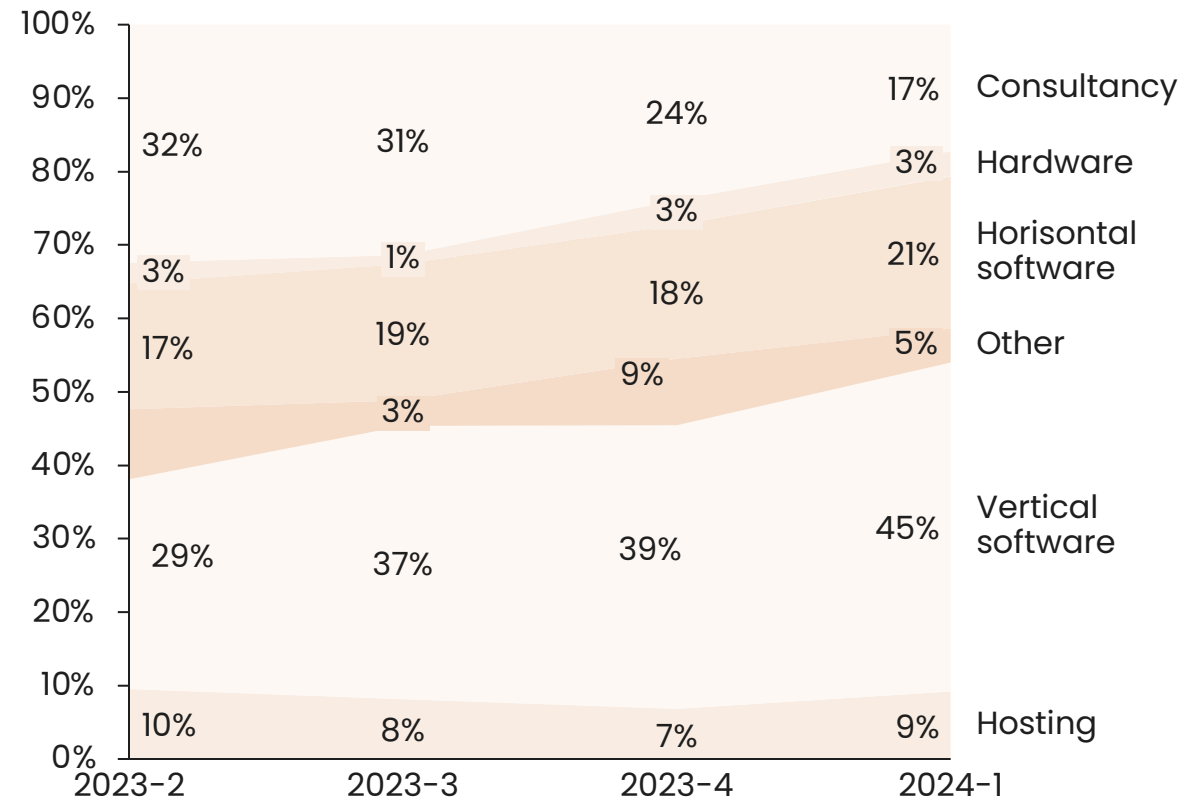


Majority of Nordic tech transactions are SaaS-based

Nordic transactions by target country

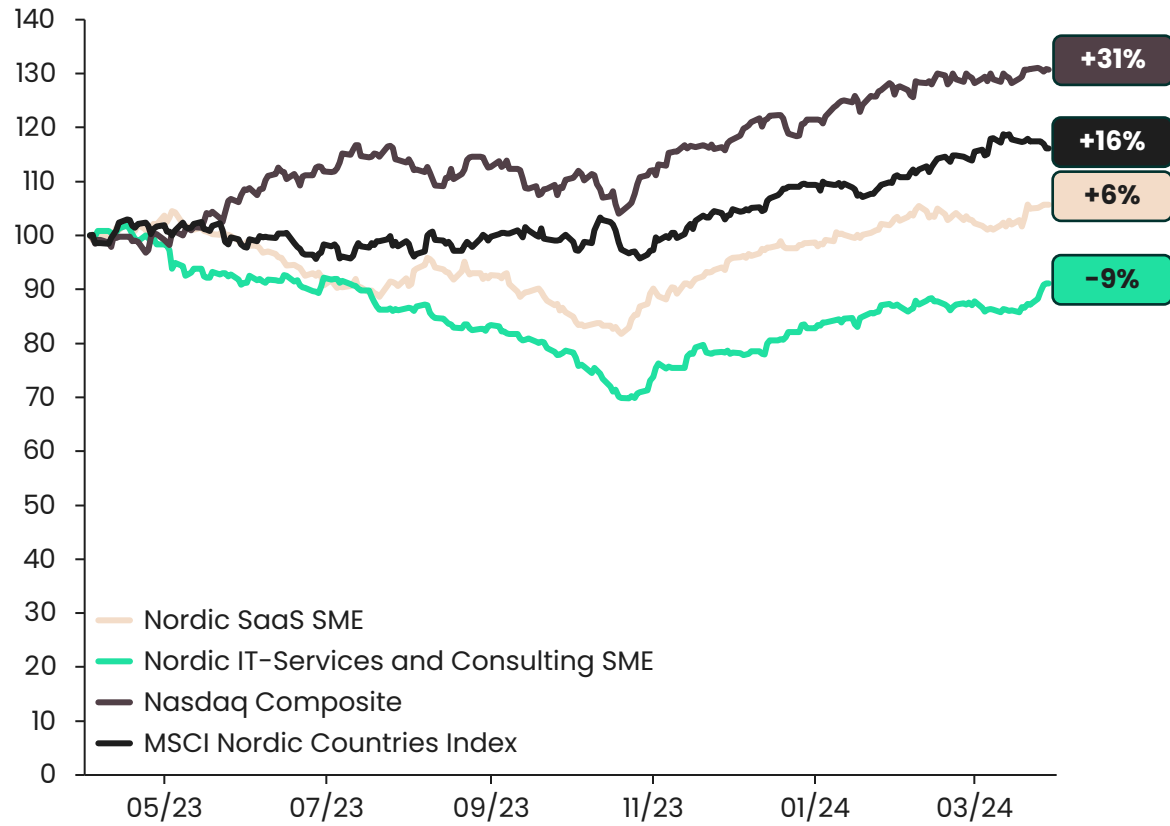


Transactions by target company niche

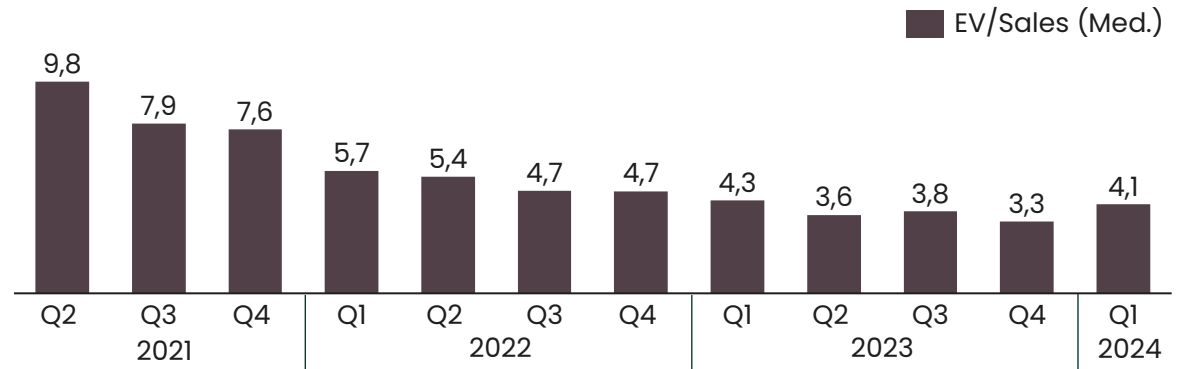


Development in Nordic public tech¹

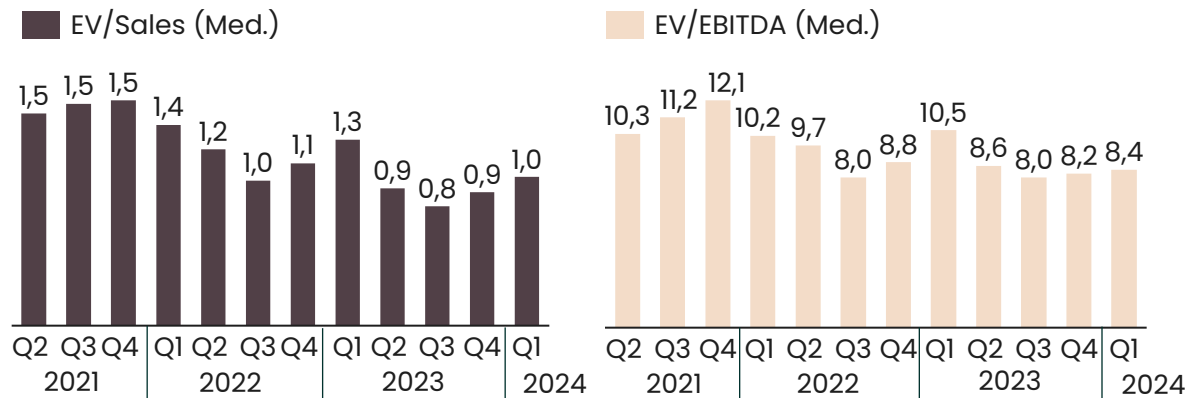
Indexes²



SME Nordic Public SaaS multiples³



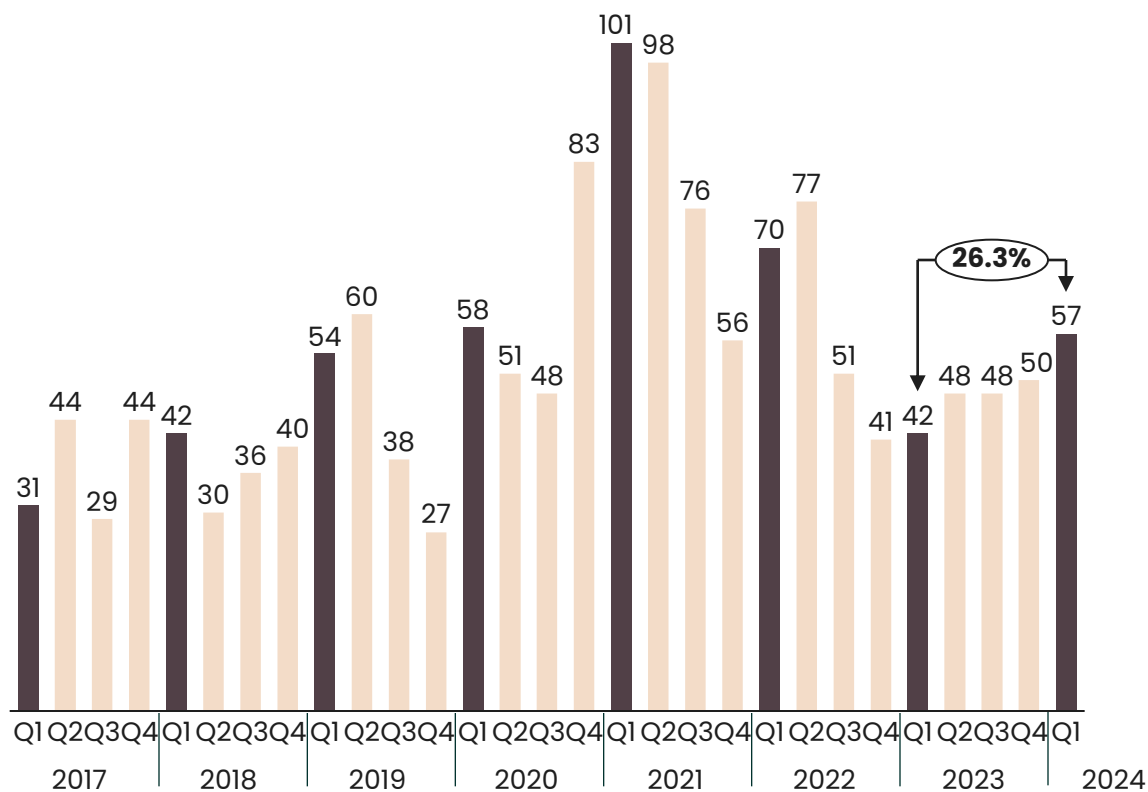
SME Nordic Public IT-Services and Consulting multiples³













Note 1) Both Nordic IT-Consulting and Nordic SaaS are capitalization-weighted indexes created by Stratema.
 Note 2) Nordic SaaS SME Index consists of 27 Nordic SaaS companies with market cap 100 – 3 000 MSEK. Nordic IT-Services and consulting SME Index consists of 27 companies.
 Note 3) Multiples are compiled from public third-party sources..

Stable activity level, with slight increase in Q1

M&A transactions Nordic software targets

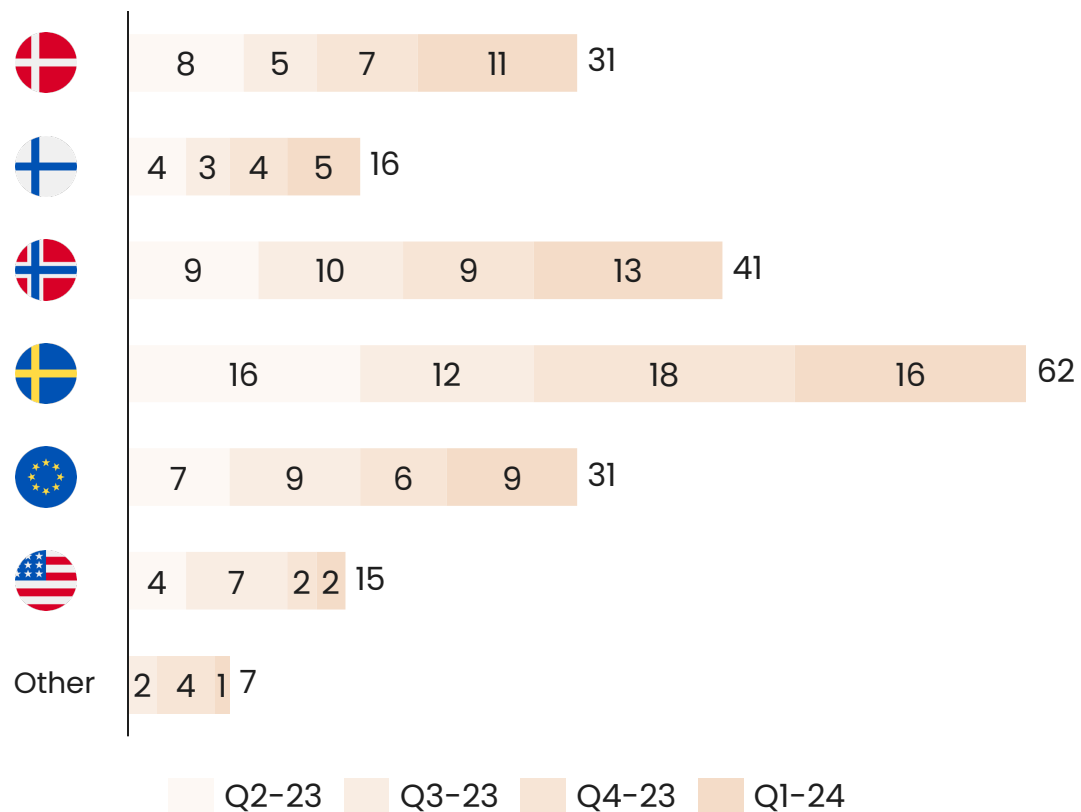


Key transactions this quarter

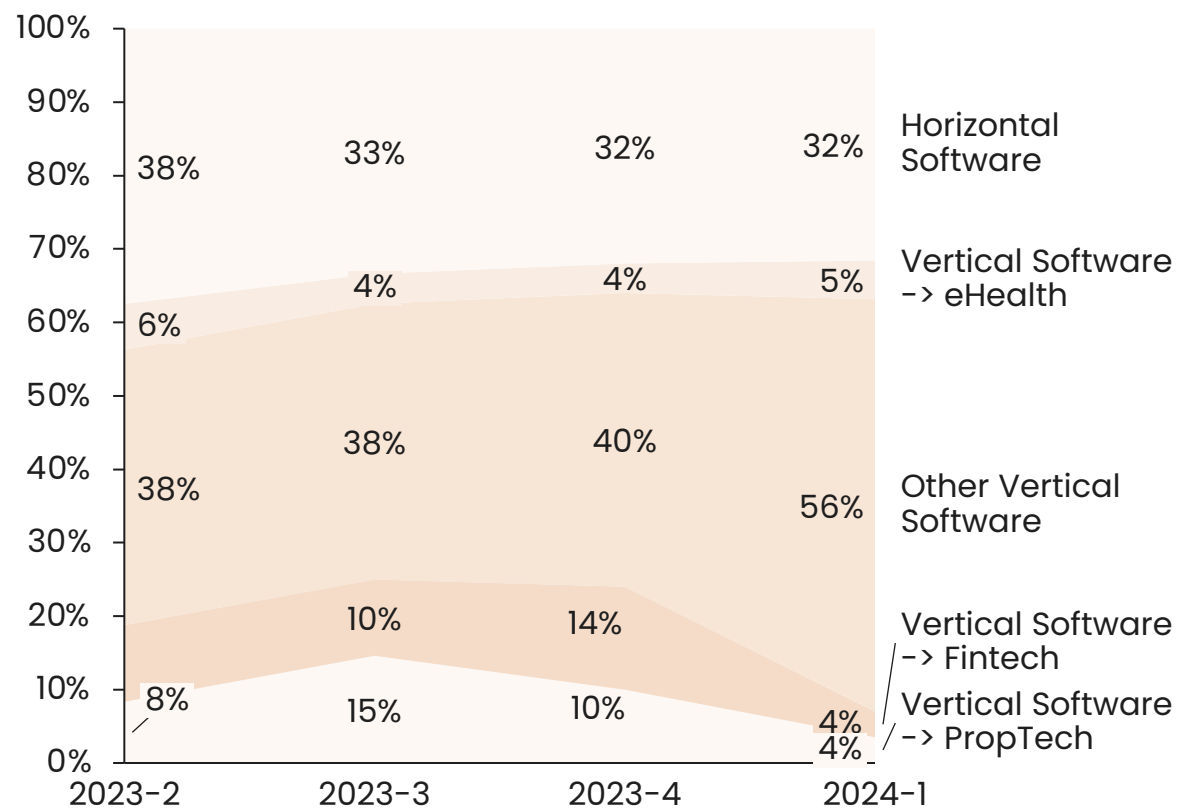
Target	Description	Buyer	Sales (MEUR)	Type
PAGERO 	AP/AR software	THOMSON REUTERS 	75.7	Add-on
visitgroup 	Booking software for travel industry	PSG 	24.3	PE
KIVRA 	Document and receipts storage software	SEB  Investment Management	23.9	PE
maritech 	Software for seafood and logistics	CAI 	18.3	PE-owned
CHOOSE 	Platform for airline SAF programs	bp 	18.0	Add-on

Vertical software dominating SaaS activity

Nationality of buyers of Nordic targets LTM

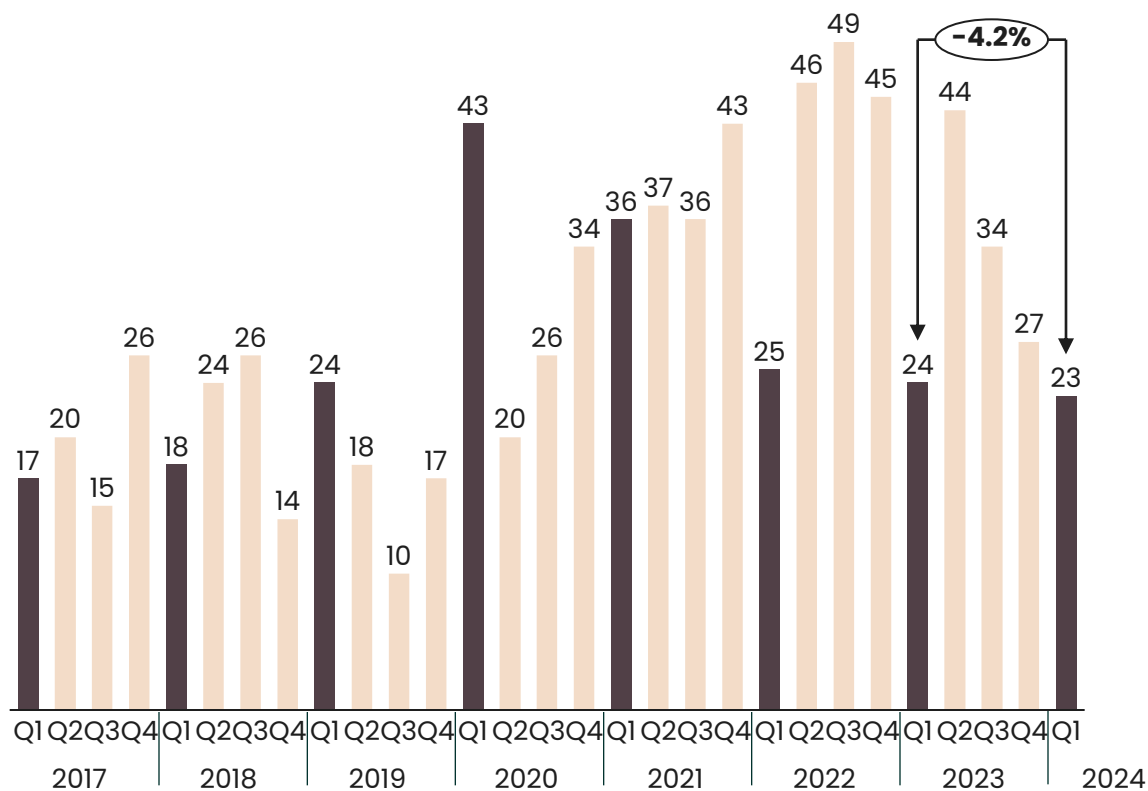


Transactions by target company niche



Fall from previous quarters, though on par with pre-covid

M&A transactions Nordic software targets

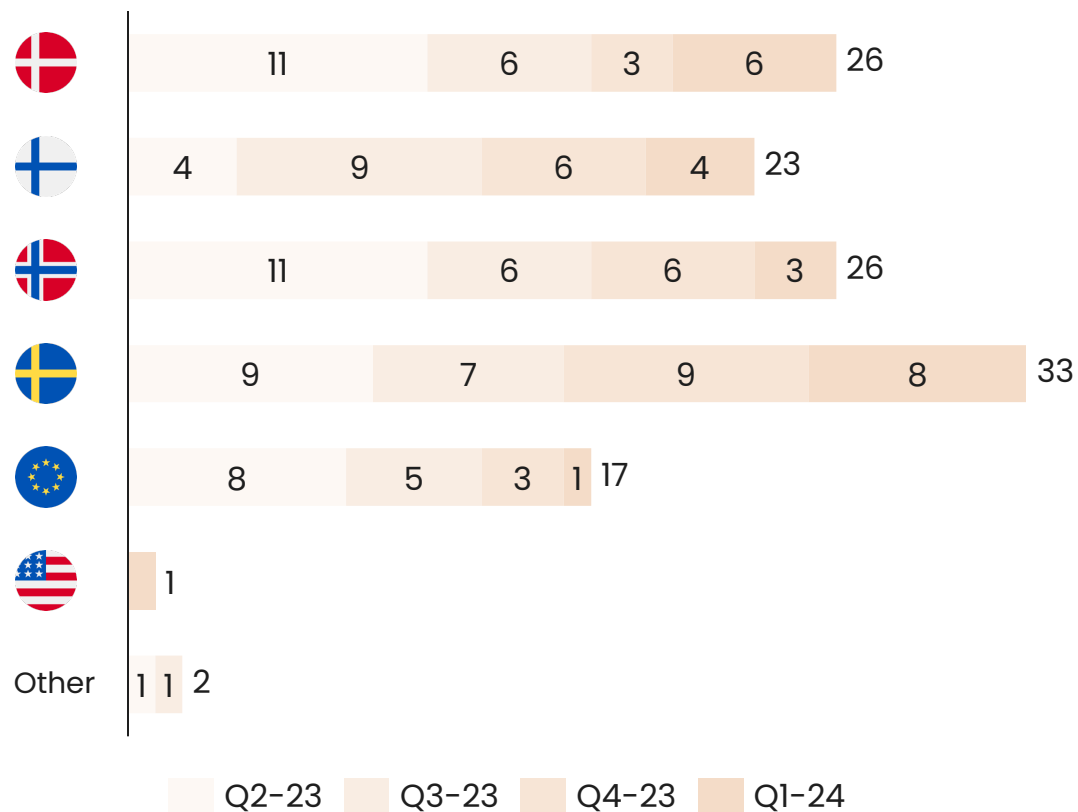


Key transactions this quarter

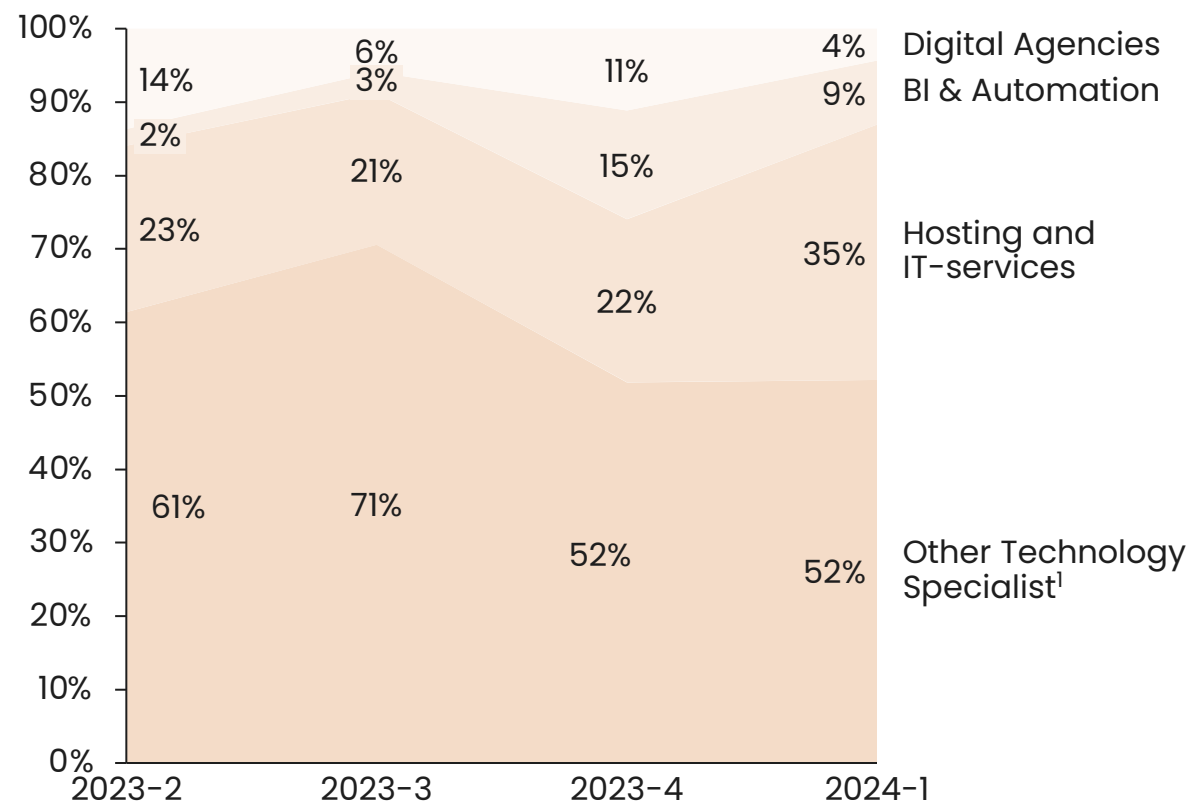
Target	Description	Buyer	Sales (MEUR)	Type
Cloud Factory	Hosting and Microsoft services	Riverside	25.0	PE
STRONGIT	Tech consulting specialist	etteplan	13.0	Add-on
m3cs	Infor ERP specialist	CombinedX	12.2	Add-on
NTO AUTOMATION	Industrial automation specialist	Motus Nordic	9.6	PE-owned
prog-it	IT Hosting and consulting	Bocap	7.4	PE

Majority of targets were acquired by Nordic buyers

Nationality of buyers of Nordic targets LTM



Transactions by target company niche



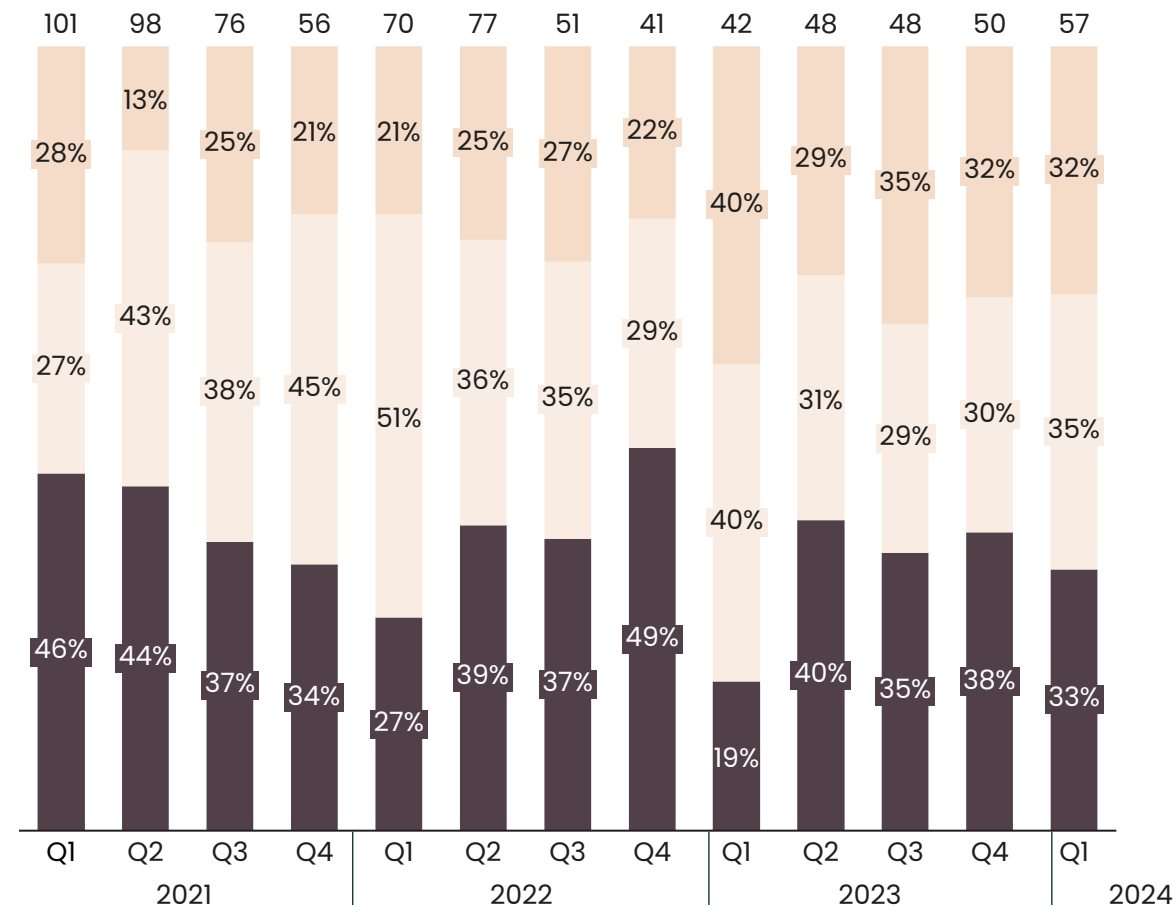
PE remaining critical for M&A SaaS volumes in the Nordics

- Despite recent economic and political turmoil, as well as increased cost in capital, two thirds of all Nordic SaaS M&A transactions were by Private Equity and PE-backed companies.
- Having conducted interviews with numerous investment banks, law firms and private equity players in the Nordics regarding the current state of the Nordic tech M&A market, several respondents point to significant amounts of dry powder remaining from previous financing rounds and focus on recurring earnings as drivers for PE SaaS activity.

Notable PE acquirers Q1

Target	Sales (MEUR)	Buyer
STAR	7.8	Longship
Omnidocs	6.6	MAIN
BRUCE	5.3	NOVAX
ag analytics	4.0	M. MONTERRO

Nordic software M&A activity by acquirer type



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 (targets) 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.

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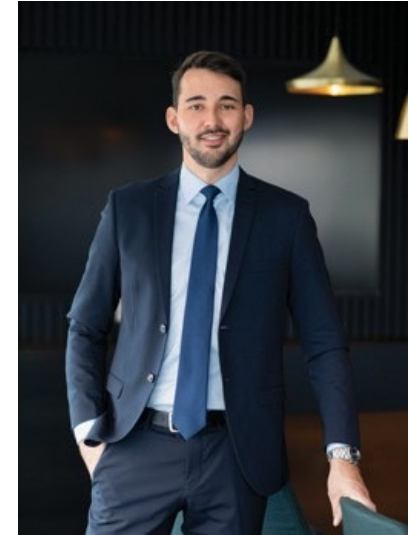


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