

Q4 2024

Nordic Tech M&A Outlook

Software and IT Services
& Consulting Market

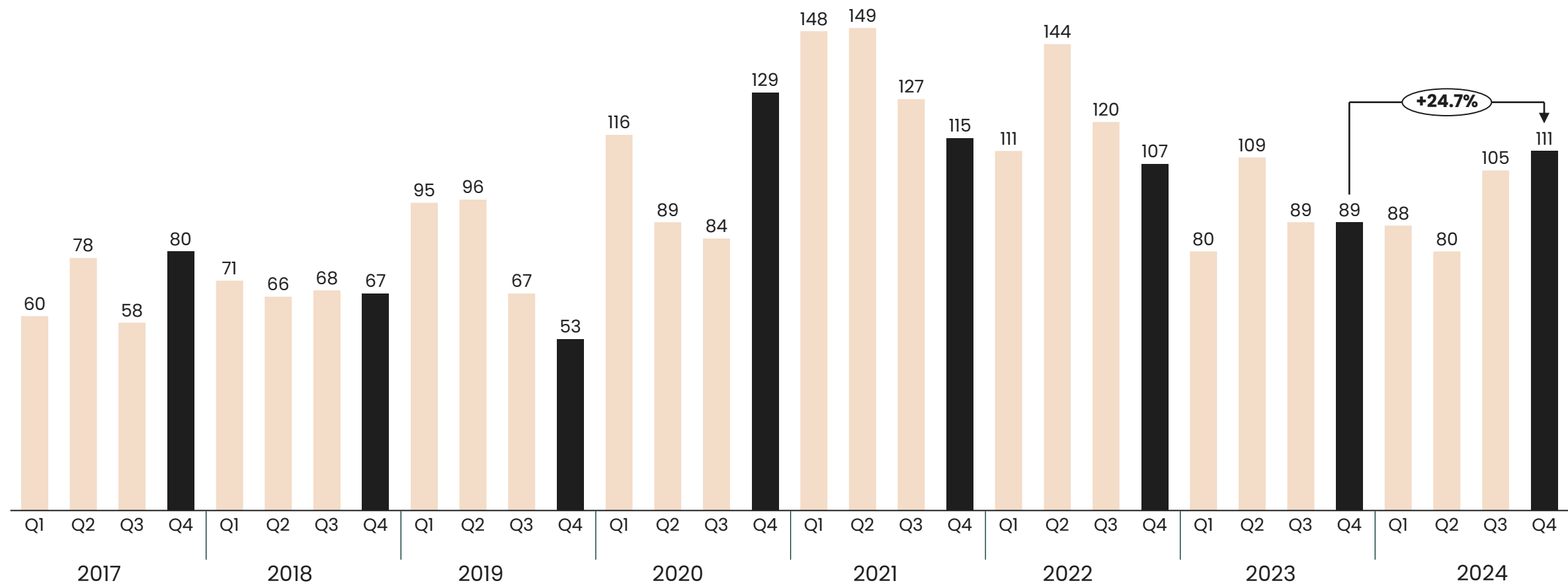
Key highlights from Q4

- In Q4 2024, the tech sector recorded 111 transactions, representing an increase of approximately 25% compared to Q4 2023. Along with recent quarters, this underscores a positive trend in transaction volume.
- Nordic publicly traded SME software firms traded at ~4.0x EV/Sales in recent months. IT service and consulting SMEs traded at a median 9.5x EV/EBITDA valuation.
- In the fourth quarter, 57 transactions were recorded in the SaaS sector, indicating sustained activity in the sector. Approx. 1/3 of transactions were platform add-ons for PE-backed companies. The number of transactions within IT services and IT consulting remained at the same level as in the third quarter, showing an increasing trend compared to the last twelve months.
- Private equity firms remain active in the Nordic SaaS market despite fundraising challenges. They favor SaaS companies for stable cash flows, driven by substantial dry powder. PE and PE-backed entities account for two-thirds of transactions, adopting a more selective approach.



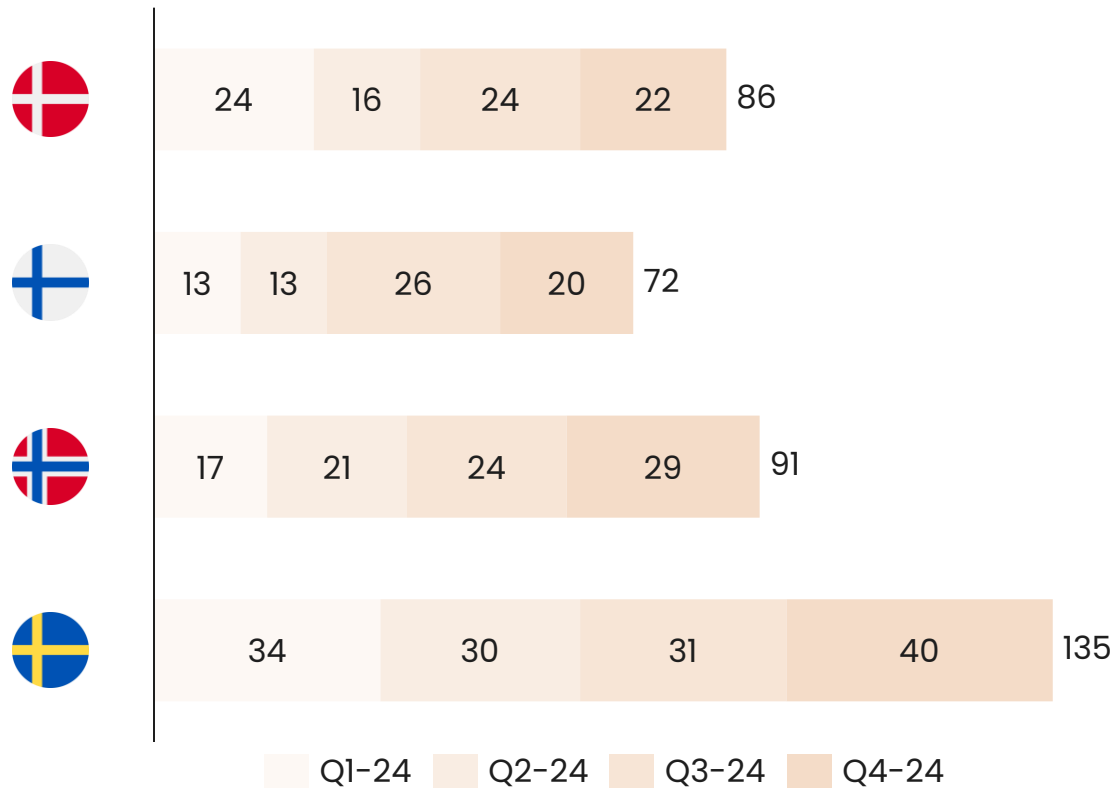
Strong growth in transactions in the last twelve months

M&A transactions Nordic tech targets

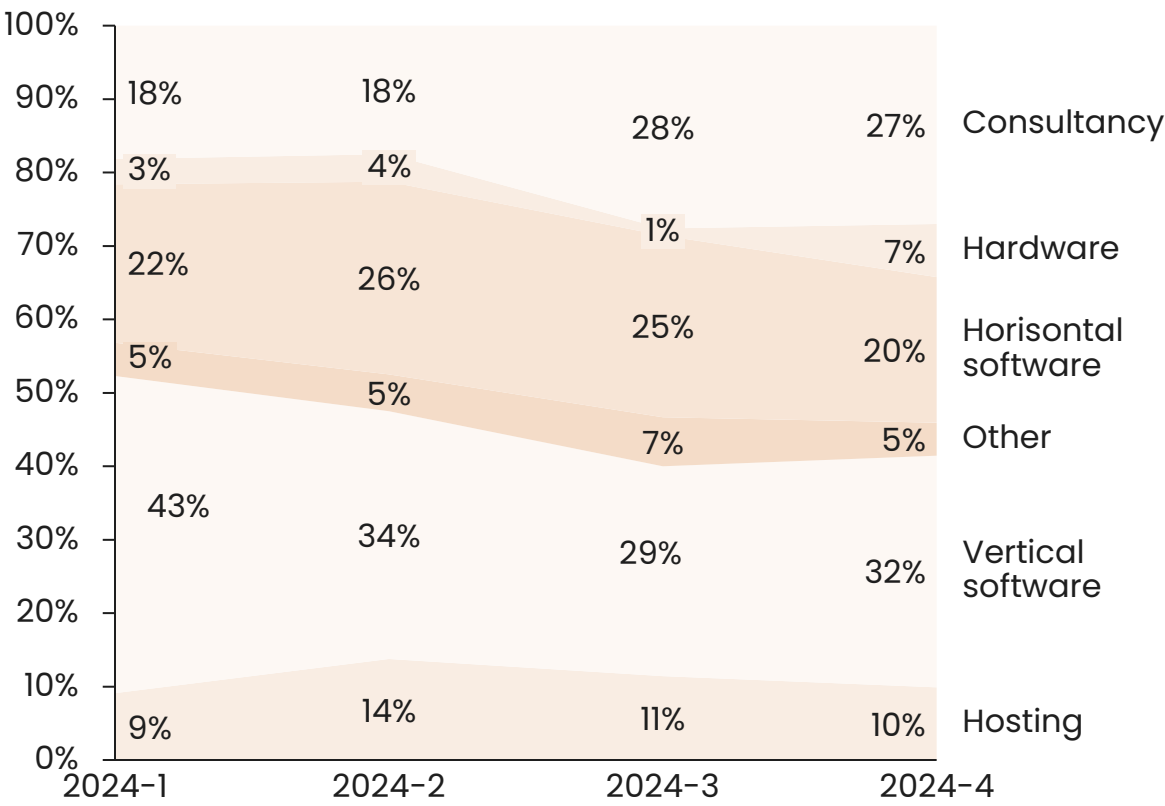


Vertical SaaS and consultancy lead Q4 growth

Nordic transactions by target country

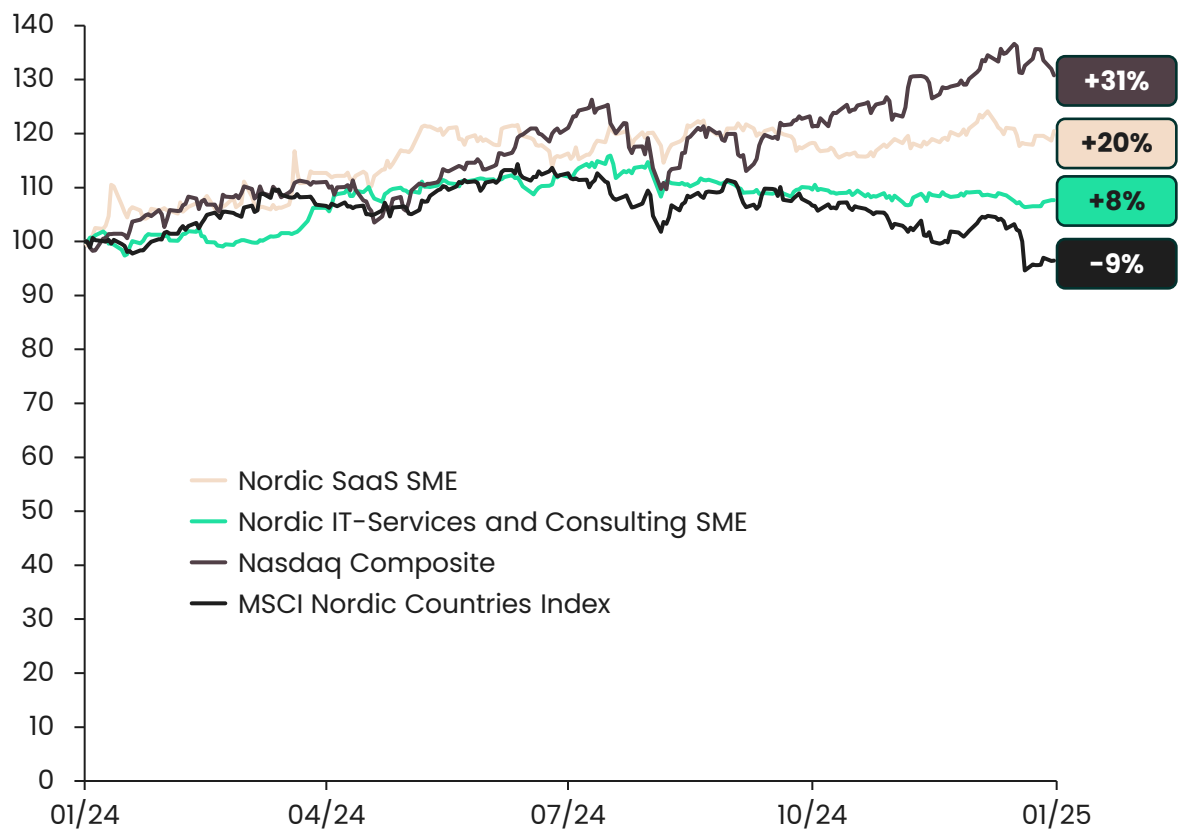


Transactions by target company niche

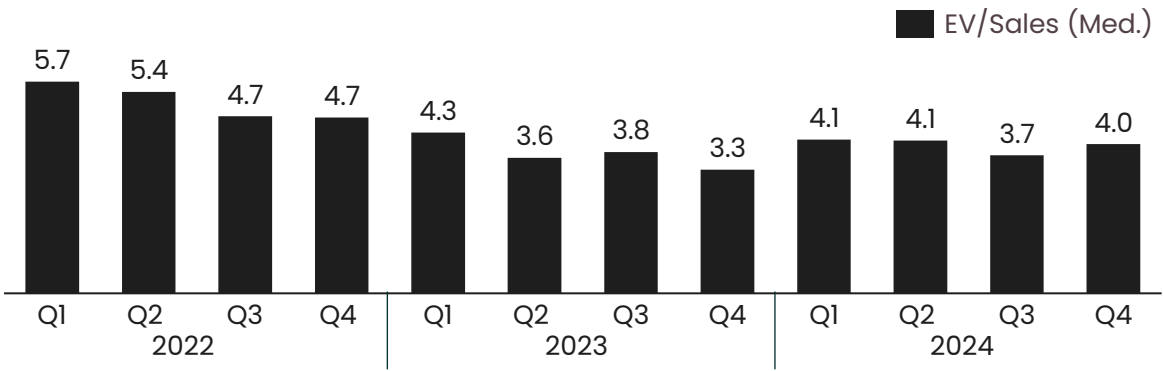


Development in Nordic public tech¹

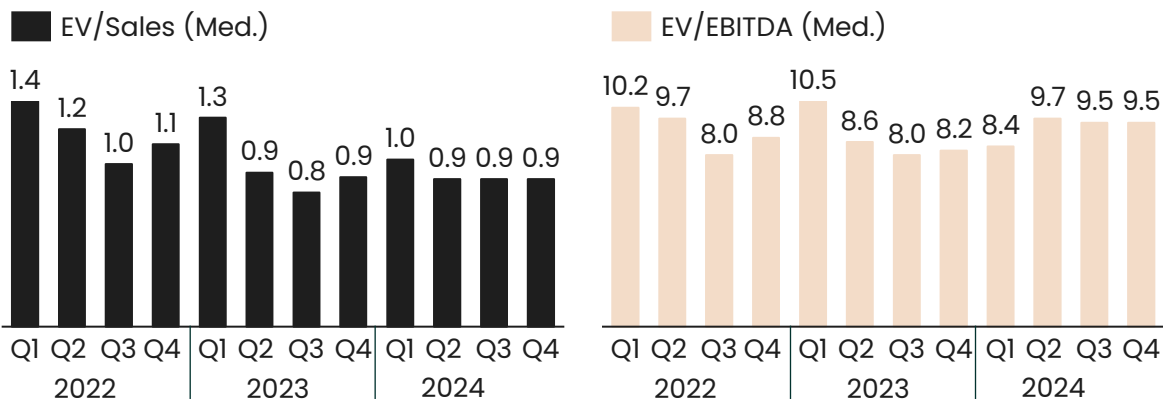
Indexes²



SME Nordic Public SaaS multiples³



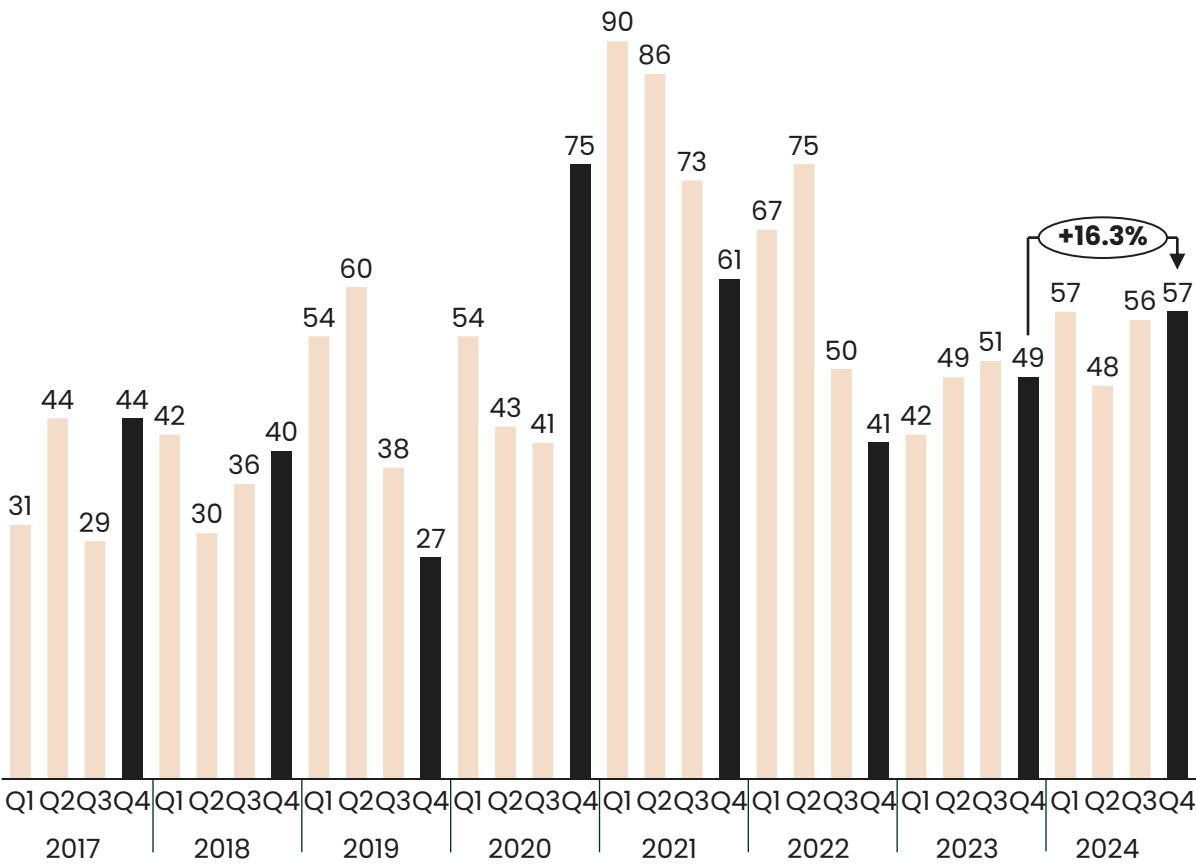
SME Nordic Public IT-Services and Consulting multiples³



Note 1) Both Nordic IT-Consulting and Nordic SaaS are equally-weighted indexes created by Stratema.
Note 2) Nordic SaaS SME Index consists of 28 Nordic SaaS companies with market cap 100 – 5 000 MSEK. Nordic IT-Services and consulting SME Index consists of 33 companies
Note 3) Multiples are compiled from public third-party sources..

Persistent growth in Q4 transactions

M&A transactions Nordic software targets

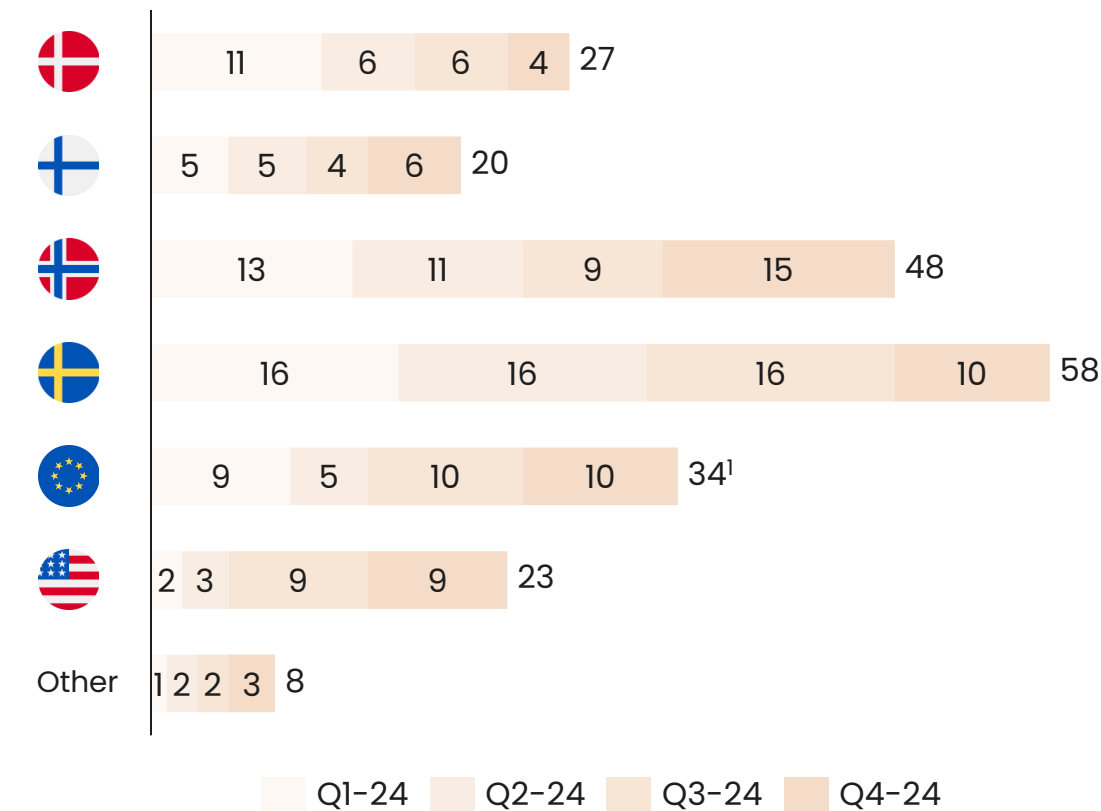


Key transactions this quarter

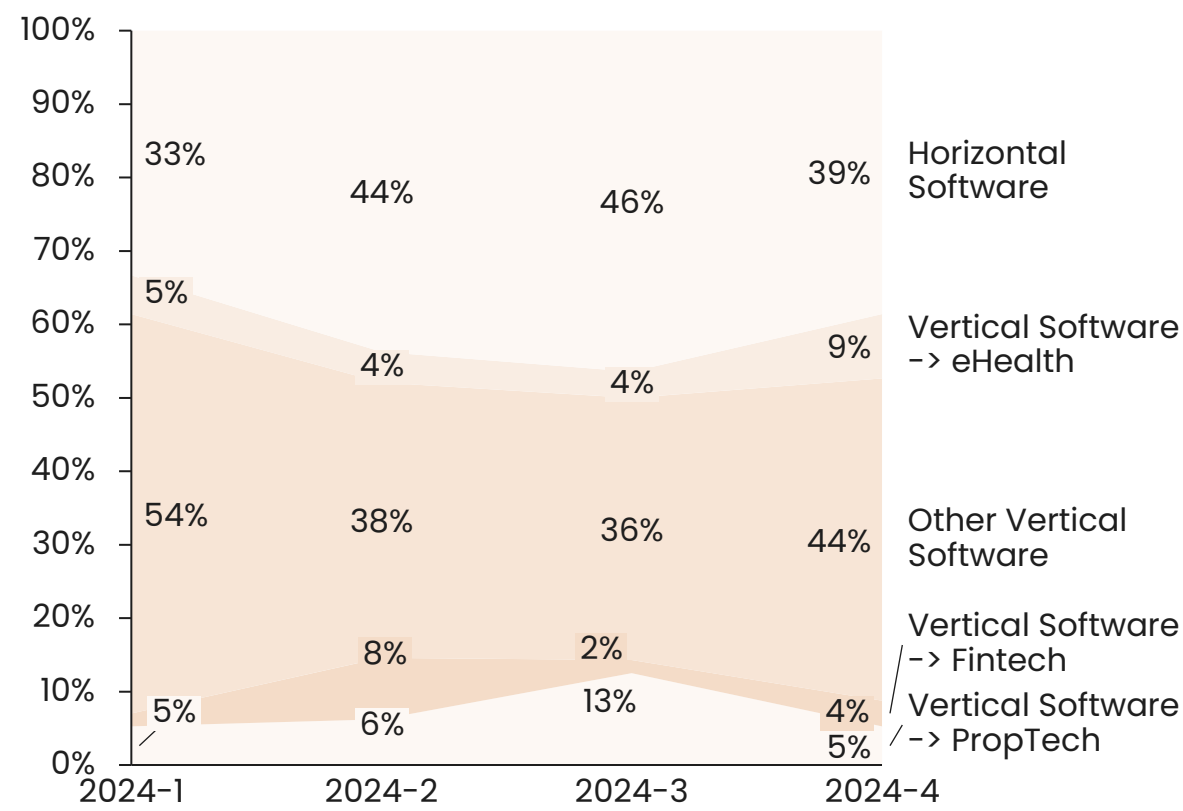
Target	Description	Buyer	Sales (MEUR)	Type
<div>PENN30</div> <div>🇩🇰</div>	Signature solution, audit companies	<div>VISMA</div> <div>🇳🇴</div>	13.1	PE-backed
<div>wint</div> <div>🇸🇪</div>	Accounting and payroll automation	<div>Norvestor</div> <div>🇳🇴</div>	13.0	PE
<div>detectify</div> <div>🇸🇪</div>	Attack surface and application scanning	<div>INSIGHT PARTNERS</div> <div>🇺🇸</div>	12.7	PE
<div>ZISSON</div> <div>🇳🇴</div>	Contact Center as a Service (CCaaS)	<div>LeadDesk</div> <div>🇫🇮</div>	9.1	Industrial
<div>9Solutions</div> <div>🇫🇮</div>	Software for elderly care and monitoring	<div>ASSA ABLOY</div> <div>🇸🇪</div>	8.9	Industrial

SaaS activity dominated by vertical software

Nationality of buyers of Nordic targets LTM

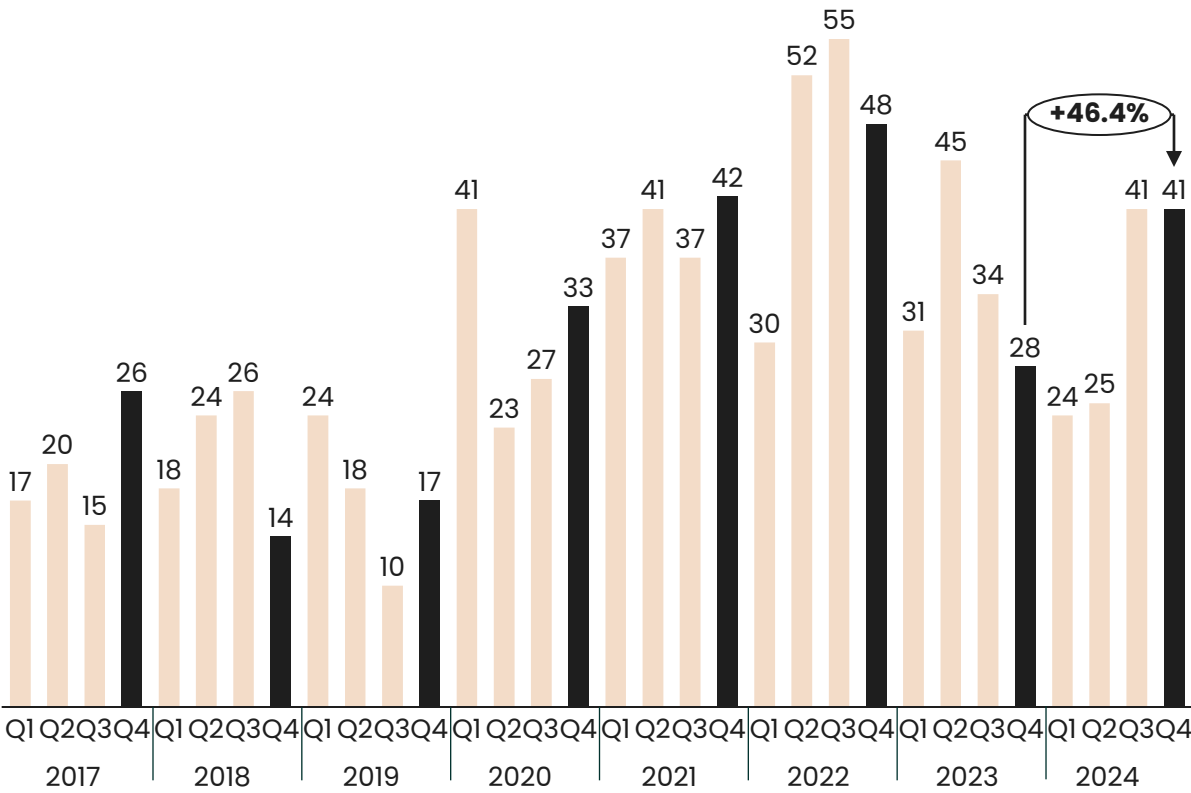


Transactions by target company niche























Rising transaction volumes in the last twelve months

M&A transactions Nordic IT services & consulting targets

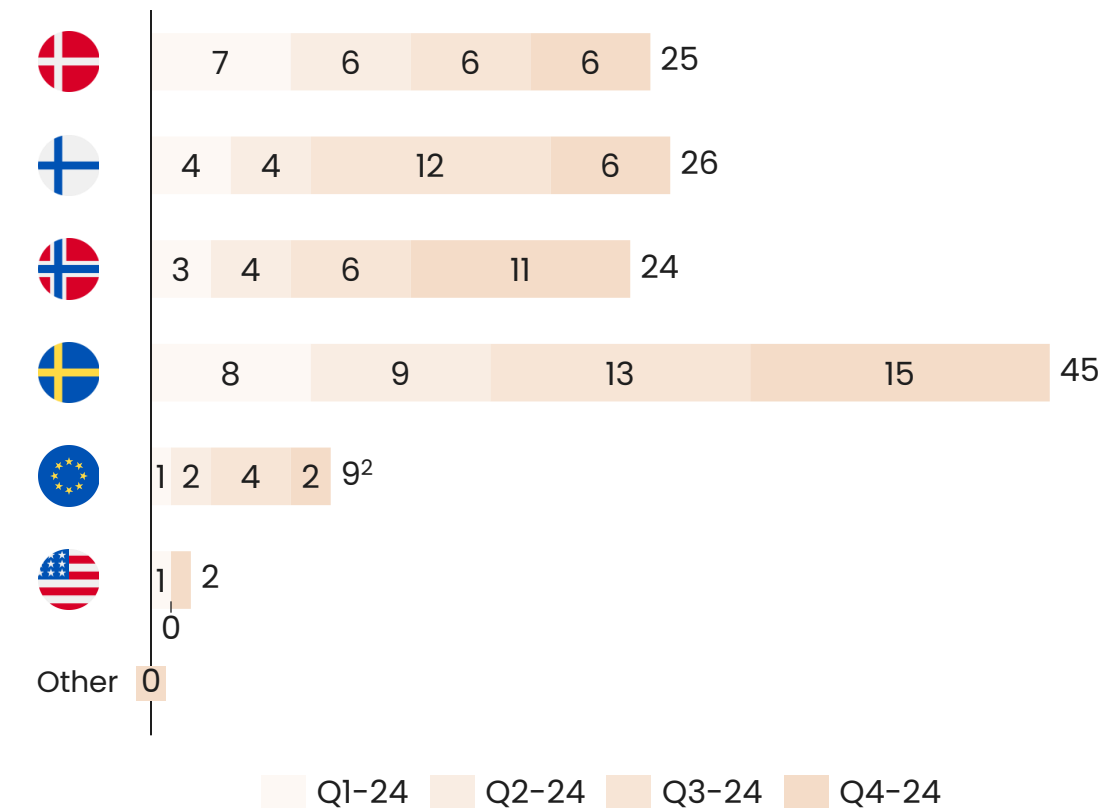


Key transactions this quarter

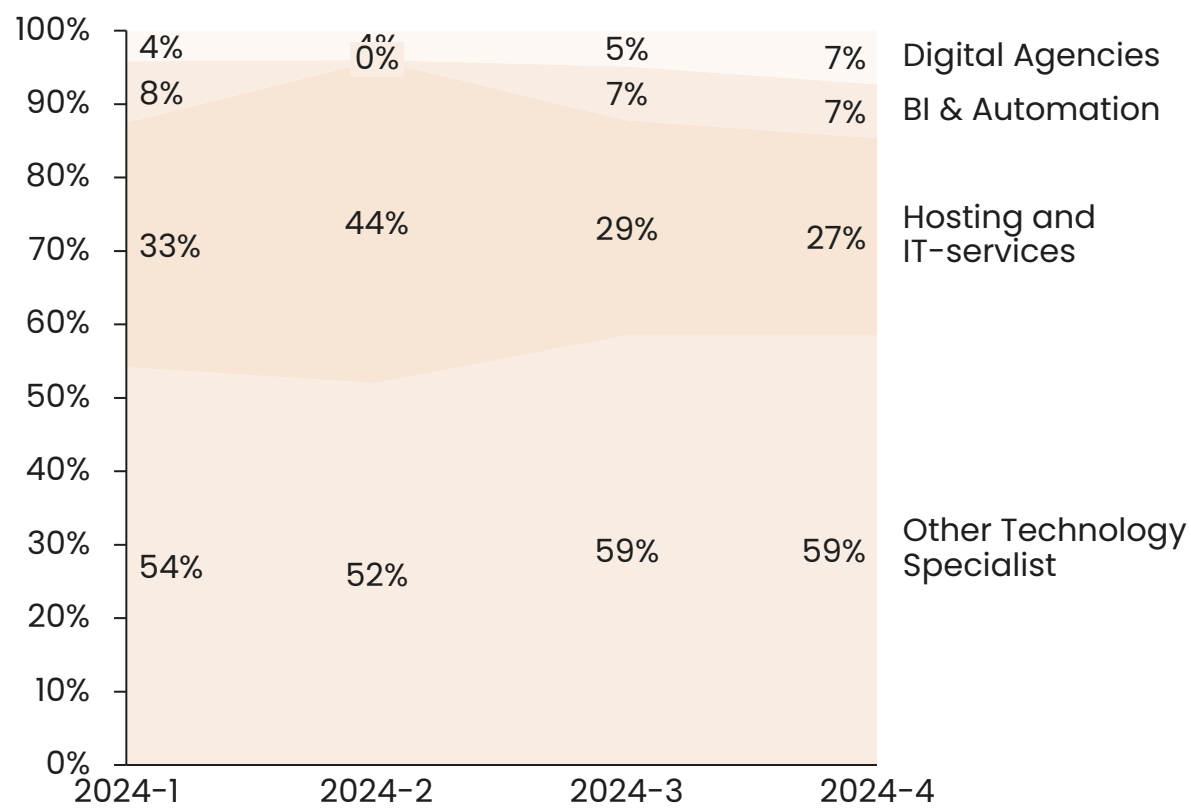
Target	Description	Buyer	Sales (MEUR)	Type
 	Accounting and ERP systems	 	126.0	PE
 	Communication solutions	 	73.6	PE
 	IT hosting, public and private sector	 	56.1	PE-backed
 	Cloud and network provider	 	46.4	PE-backed
 	IT hosting	 	44.5	PE-backed

Nordic buyers maintain their strong foothold

Nationality of buyers of Nordic targets LTM












Transactions by target company niche



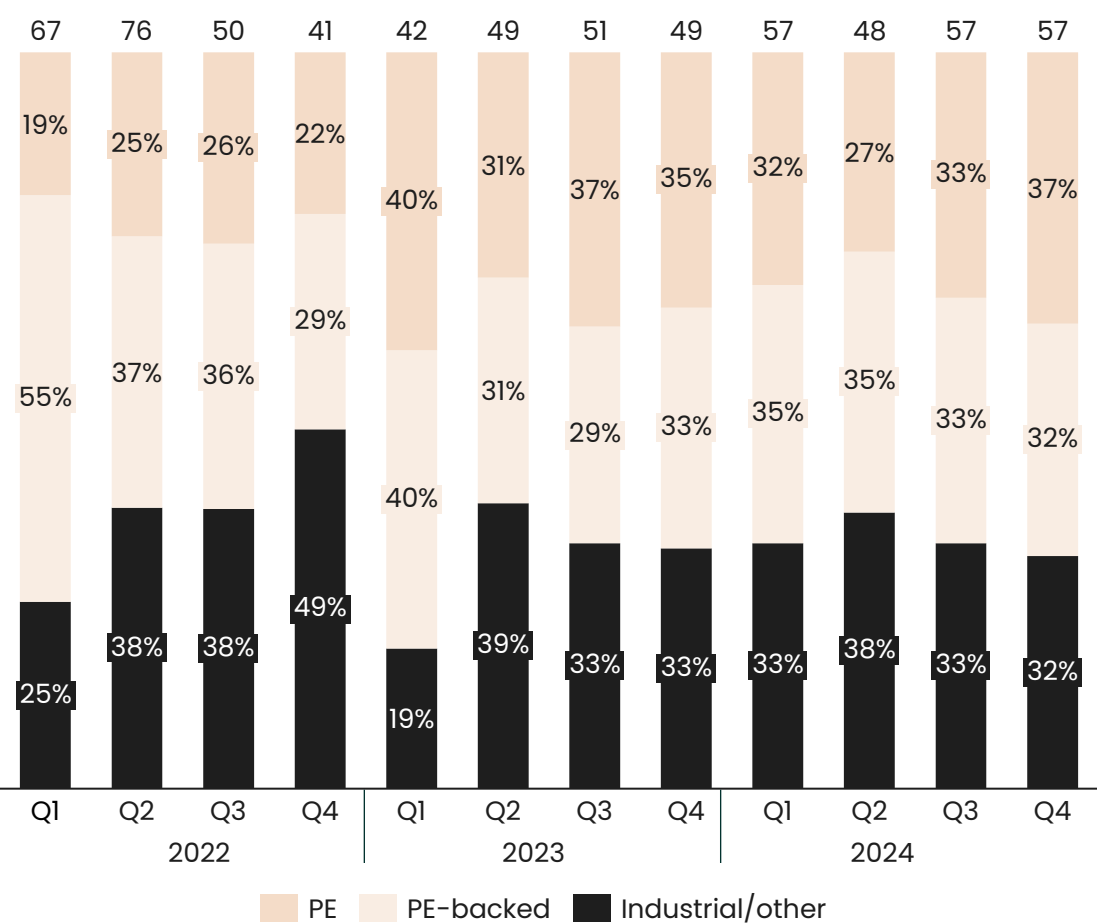
PE firms fuel Nordic SaaS acquisition activity

- Despite a challenging financing market in terms of new fundraising¹, private equity firms remain highly active in the Nordic SaaS market, with two thirds of transactions being by PE or PE-backed companies.
- Stratema recently conducted interviews with several Industrial and Financial acquirers, as well as legal firms, where several point out that buyers, especially private equity firms, are adopting a more selective approach, favoring SaaS companies due to stable and secure cash flows. This is additionally fueled by large amounts of available dry powder.

Notable PE acquirers Q4

Target		Sales (MEUR)	Buyer
Sitoo 		11.7	verdane 
Heeros		11.3	accoun+or finago 
coBuilder		7.7	Corten Capital 
surikat.		7.5	Bridgepoint 

M&A transactions (Nordic SaaS target companies)



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.

For any inquiries regarding the quarterly report, please reach out to:

Dave Sandberg

Partner

+47 92 84 92 84
dave@stratema.com

Mattias Borg

Director

+46 733574142
mb@stratema.com

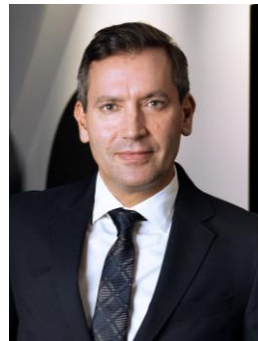
Our Tech Team



Dave Sandberg
Partner
+ 47 92 84 92 84
dave@stratema.com



Lars Stenvold Wik
Director
+ 47 93 69 38 67
lars@stratema.com



Mattias Borg
Director
+ 46 73 357 41 42
mb@stratema.com



Christian K. Krauss
Director
+ 47 98 81 28 12
christian@stratema.com



Rasmus Åsenlund
Senior Associate
+ 46 720 50 65 80
ra@stratema.com



Magnus Leivestad Hall
Associate
+ 47 90 64 95 25
mlh@stratema.com



Marte Gulbrandsen
Associate
+ 47 45 46 10 90
mg@stratema.com



Michelle Reyes
Associate
+ 46 73 727 41 31
michelle@stratema.com



Fredrik Wiesmann
Associate
+ 47 91 59 18 32
fw@stratema.com



John Egerheim
Researcher
+ 46 72 200 28 68
je@stratema.com



Mats Rafoss
Researcher
+ 47 95 18 69 68
mr@stratema.com

stratema.

Oslo

Dronning Eufemias Gate 16,
0191 OSLO

Stockholm

Klara Norra Kyrkogata 26,
111 22 Stockholm