

Q2-2024

Nordic Tech

M&A Outlook

Software and IT Services
& Consulting Market

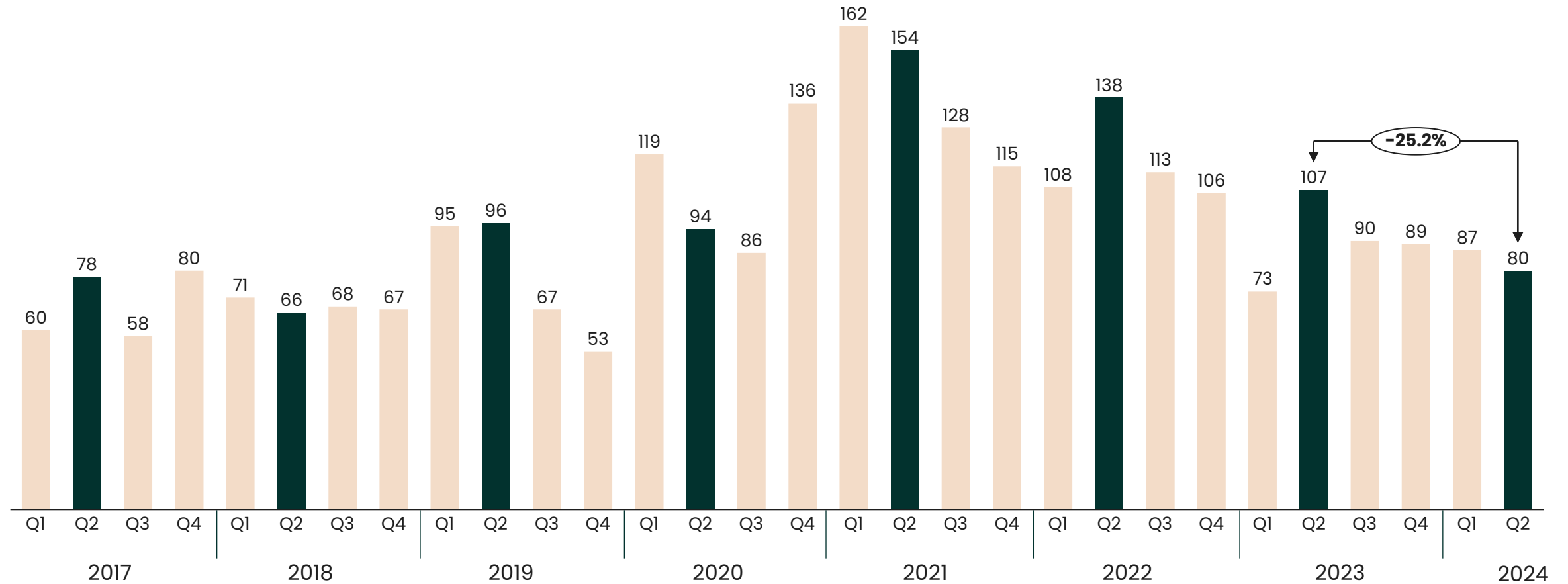
Key highlights from Q2

- In Q2 2024, the tech sector recorded 80 transactions, a slight decrease from the previous three quarters. Predominantly, these transactions involved targets within SaaS (Software-as-a-Service).
- Publicly listed software companies have traded around 4.0x EV/Sales during the last 6 months. Public IT-consulting SMEs in Q2 traded at median 9.7x EV/EBITDA.
- 49 transactions were recorded in the SaaS sector in the second quarter, making a minor dip from Q1, but on par with the transaction count of preceding quarters. IT services and Consulting have maintained transaction volumes consistent with the first quarter of 2024 and pre-covid levels, despite a downturn from preceding periods.
- Vertical SaaS dominates Nordic M&A software volume, with eHealth, eLearning and PropTech being some of the most attractive sectors. Their specialized solutions create competitive advantages and high switching costs, ensuring stable revenue and customer loyalty.



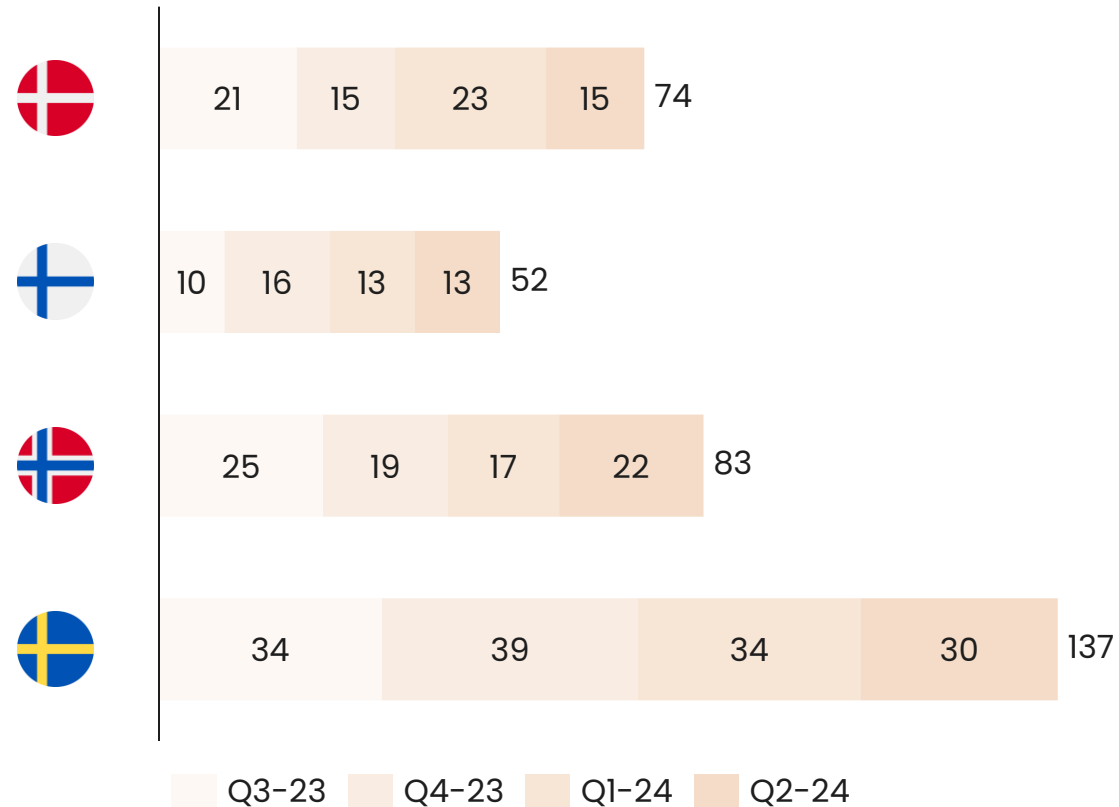
Slight decline in Q2 2024 vs. previous three quarters

M&A transactions Nordic tech targets

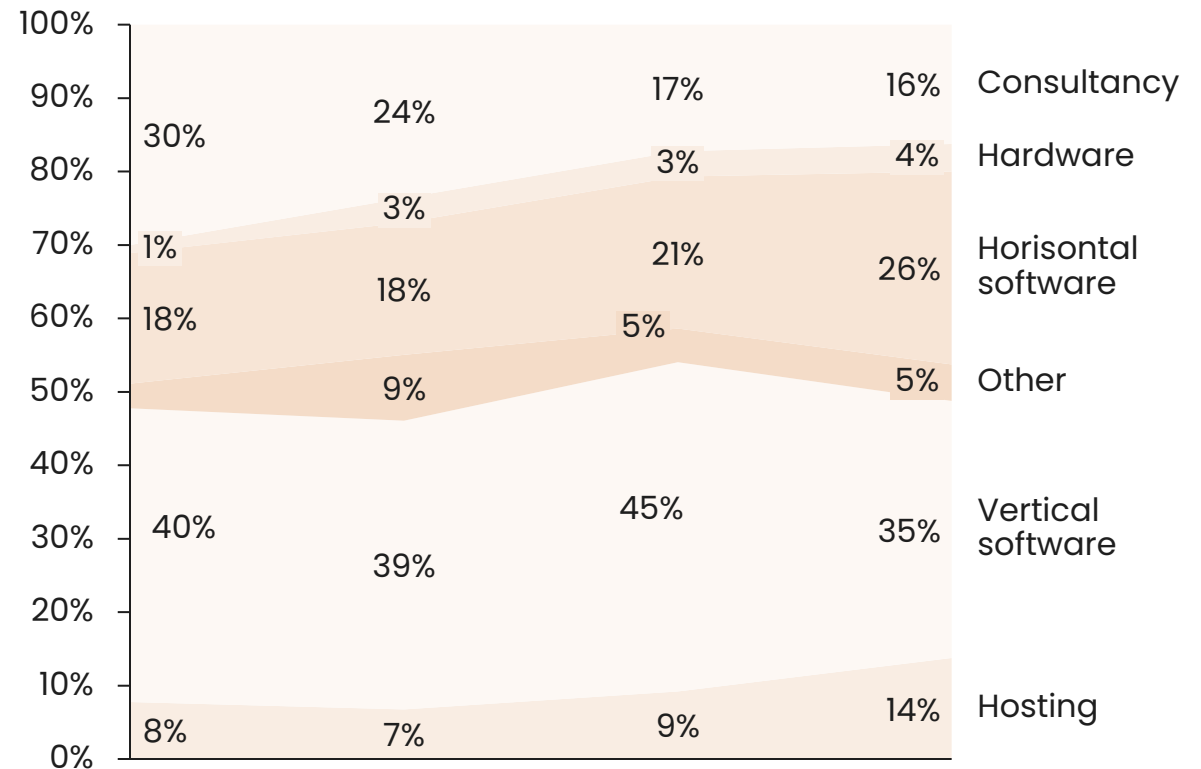


SaaS dominates Nordic tech transactions

Nordic transactions by target country

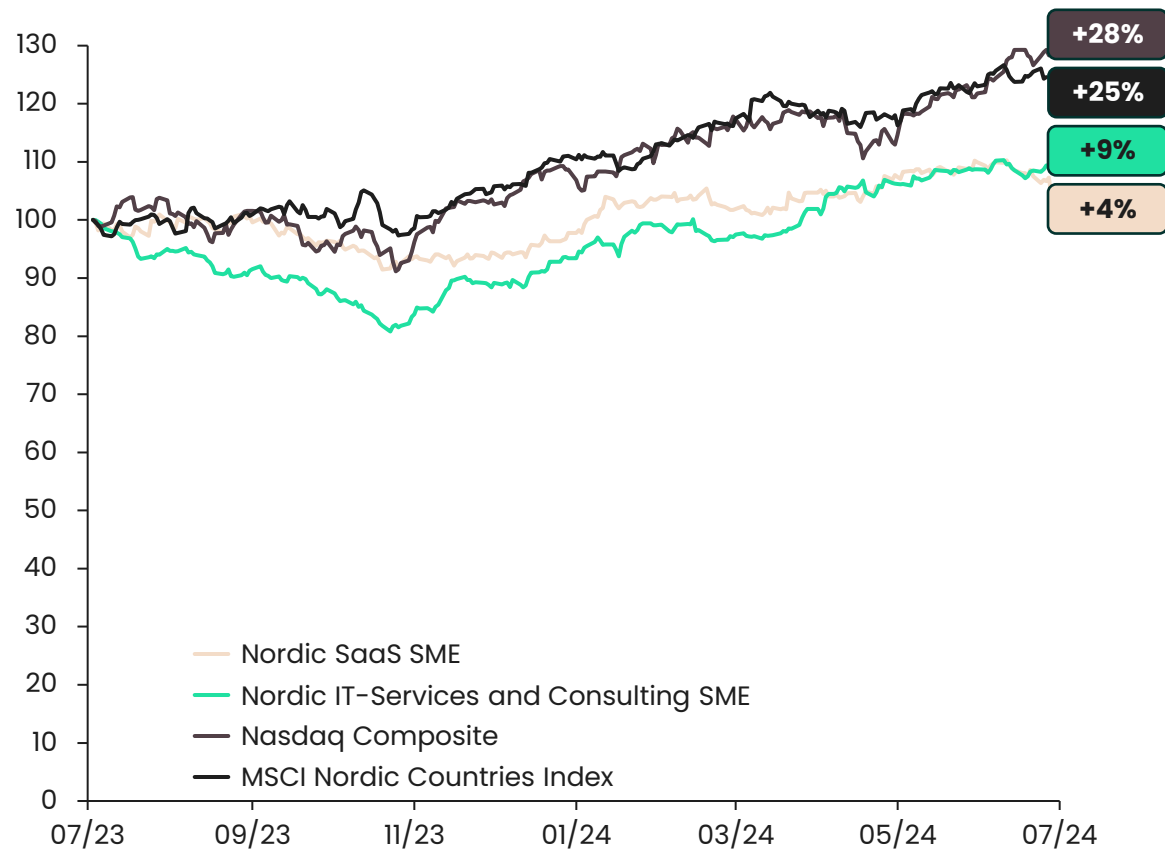


Transactions by target company niche

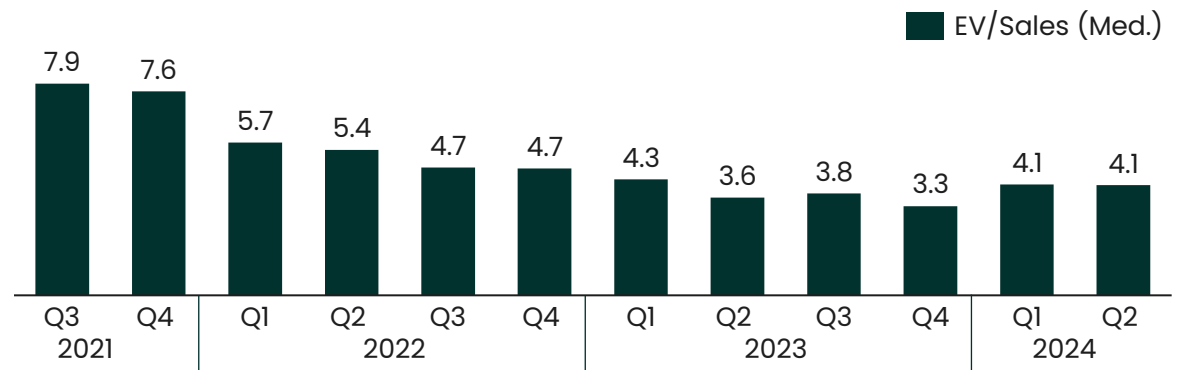


Development in Nordic public tech¹

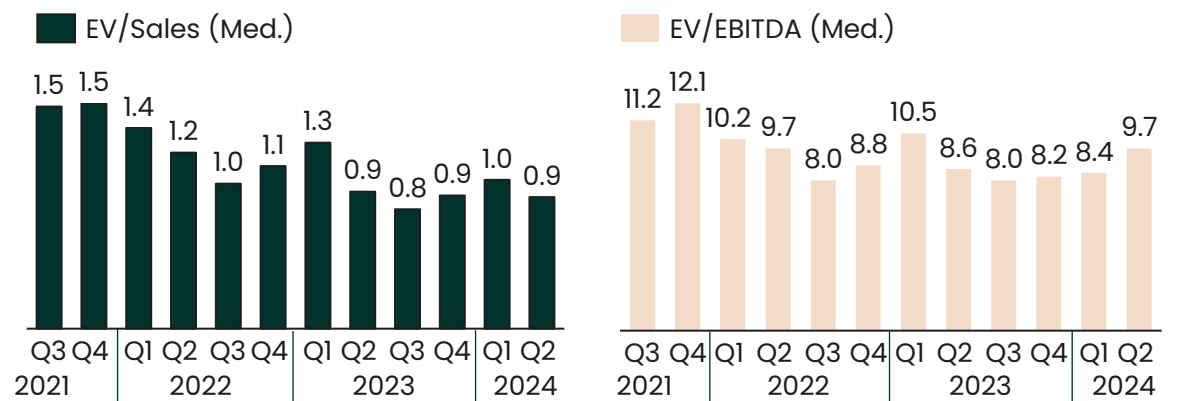
Indexes²



SME Nordic Public SaaS multiples³

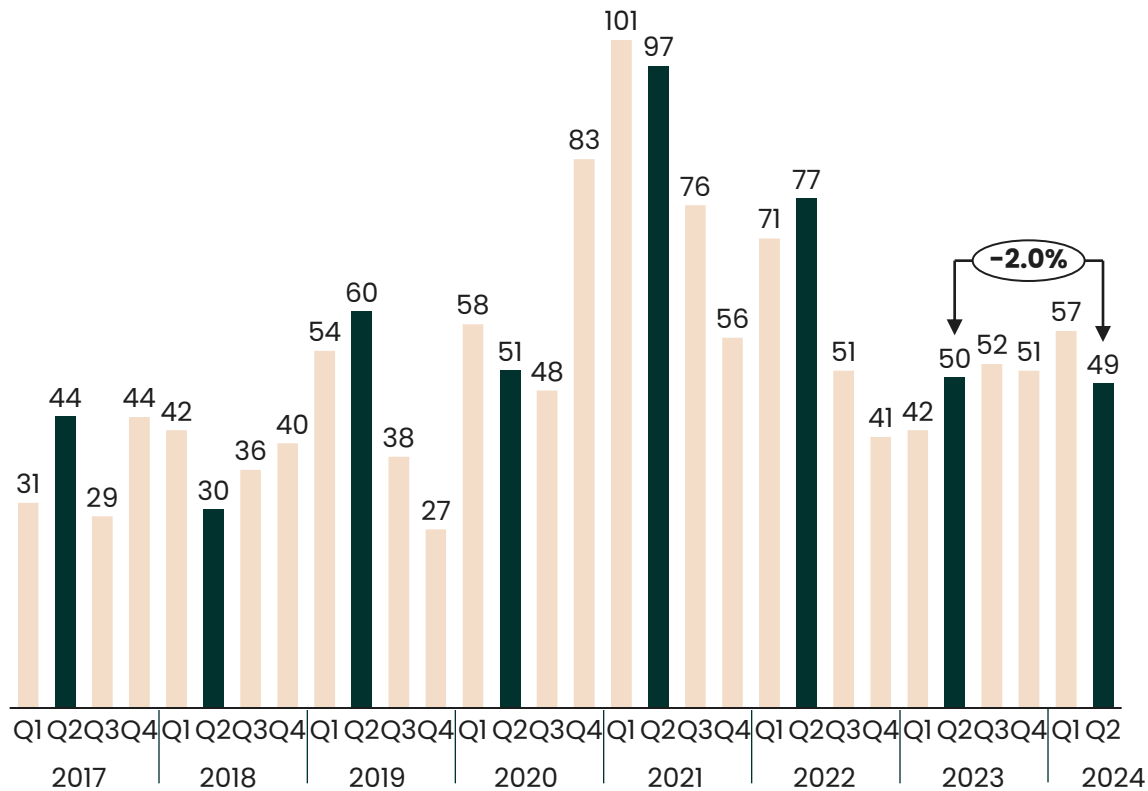


SME Nordic Public IT-Services and Consulting multiples³



Slight decline from Q1, but on par with Q2 2023

M&A transactions Nordic software targets

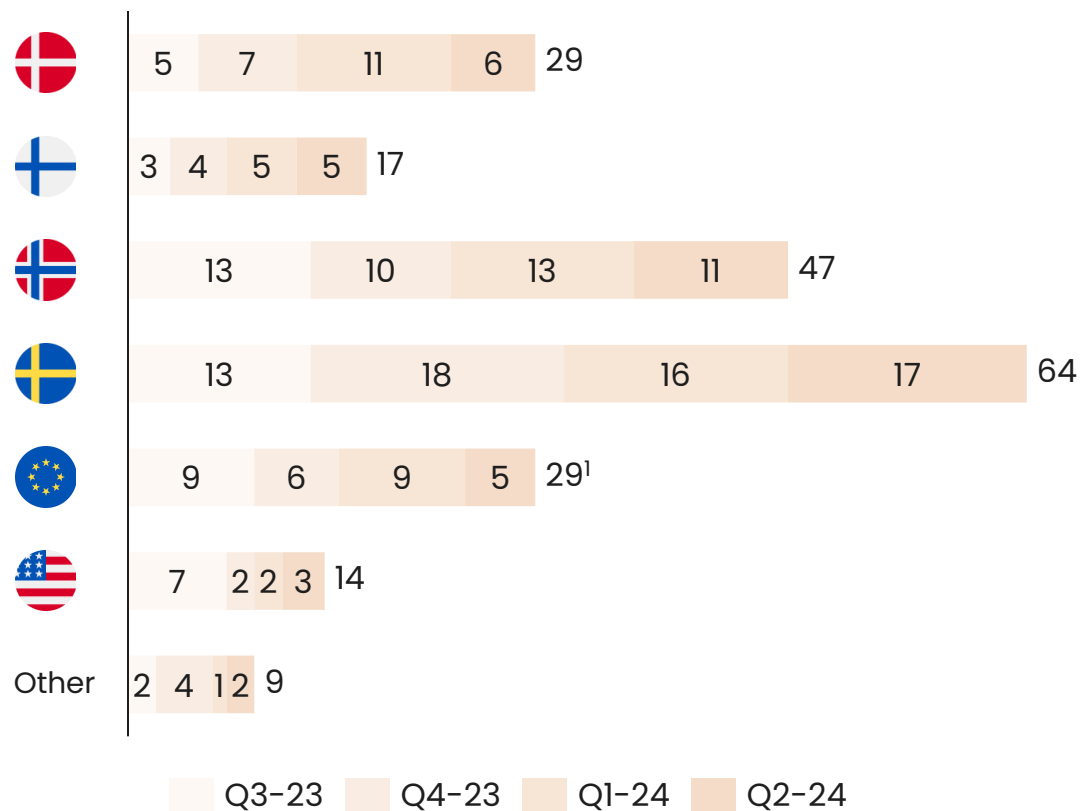


Key transactions this quarter

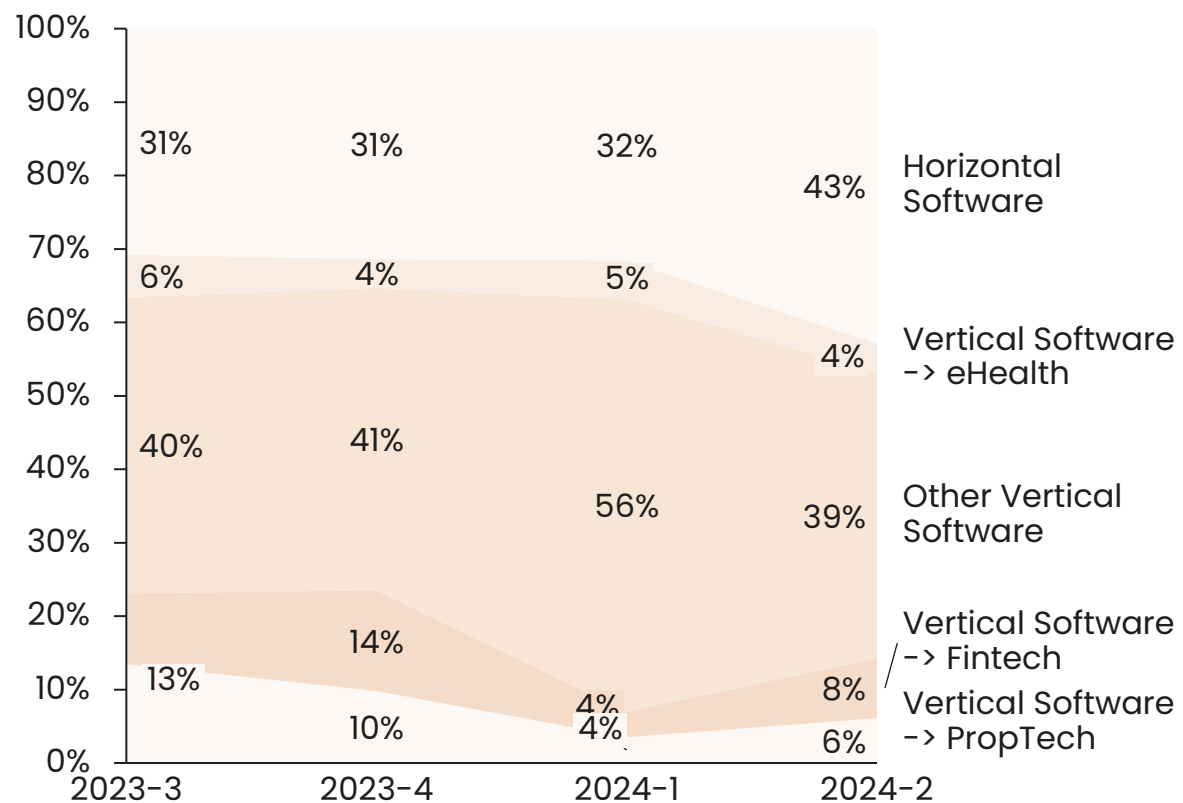
Target	Description	Buyer	Sales (MEUR)	Type
Mentimeter	Audience engagement platform (AEP)	BURE	43.0	PE ¹
DigitalRoute	SaaS for subscription services	GRO CAPITAL	34.6	PE
buypass	Offers digital lottery, trust, and ID services	total specific solutions	33.5	PE-owned
efecte	IT Service management/ Configuration management software	MATRIX42	24.7	PE-owned
BRP SYSTEMS	ERP system for fitness and leisure industry	NORDIC CAPITAL	17.1	PE

Vertical software shaping SaaS landscape

Nationality of buyers of Nordic targets LTM

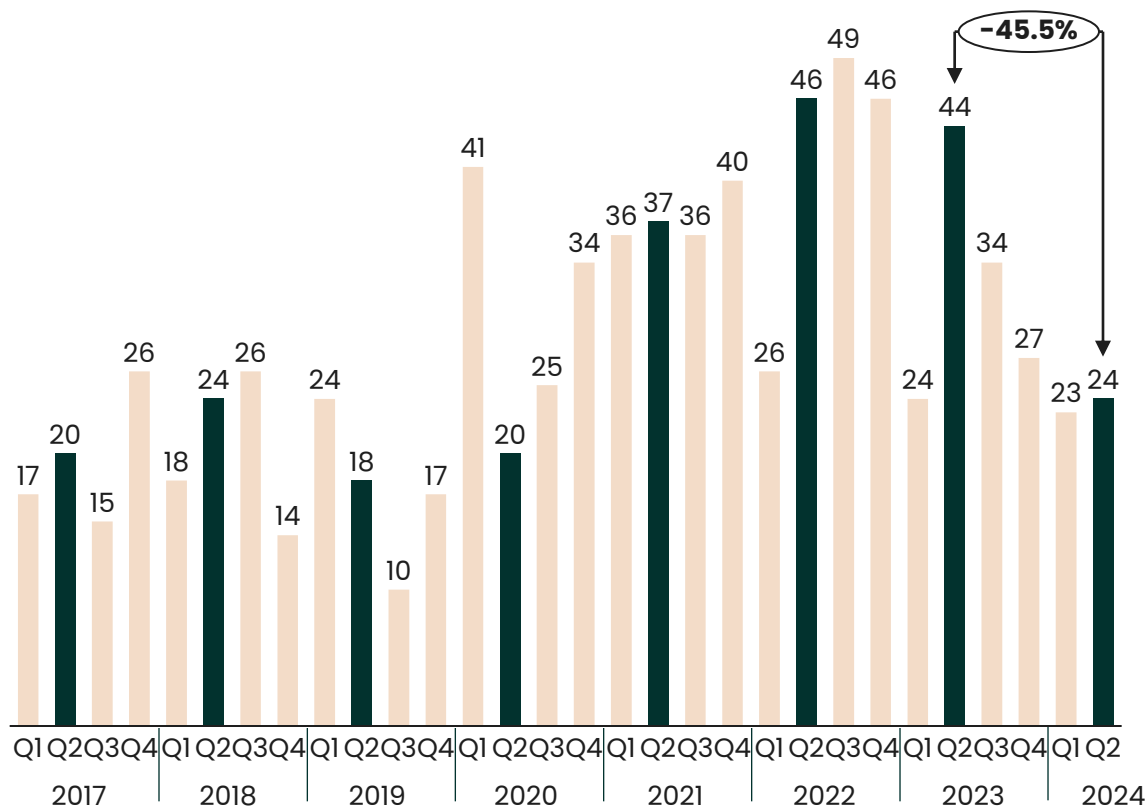


Transactions by target company niche























Slightly below LTM average

M&A transactions Nordic software targets

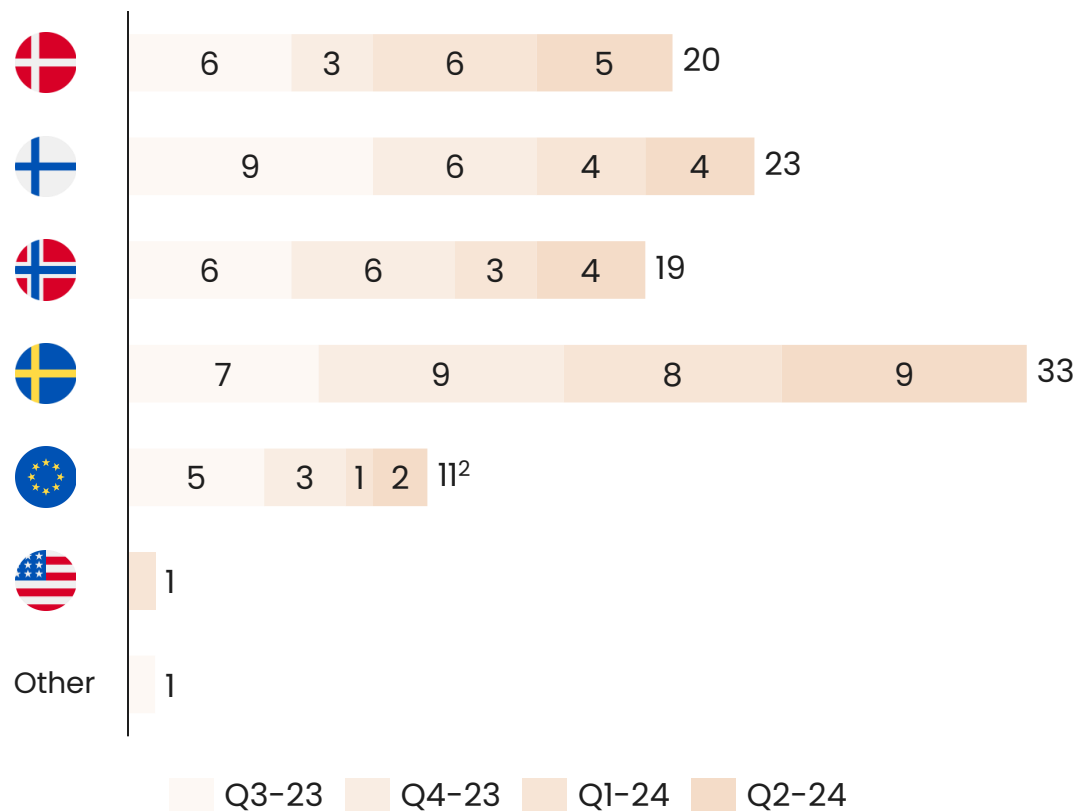


Key transactions this quarter

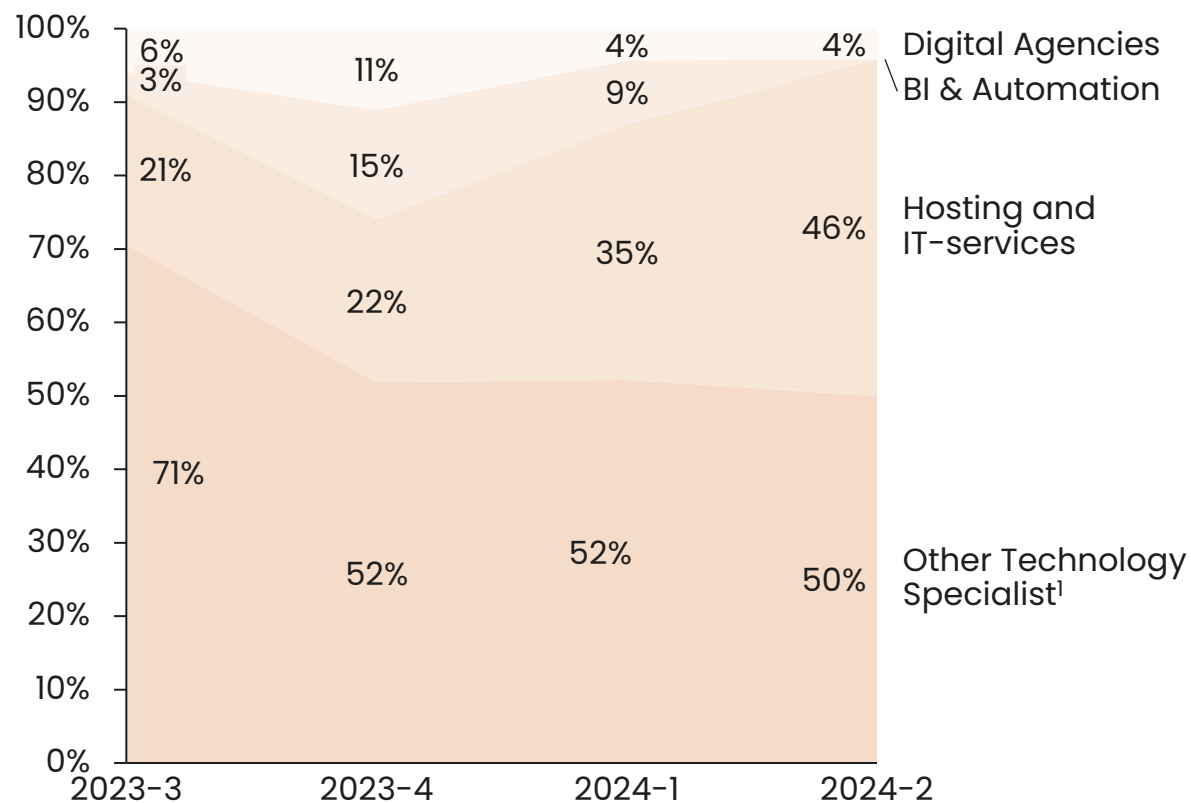
Target	Description	Buyer	Sales (MEUR)	Type
 Eniro Group 	Digital marketing service	 azerion 	90.5	Add-on
 onsagers 	IP consulting firm	 LONGSHIP 	24.8	PE
 DIGIFLO  <small>en helt ny standard</small>	IT hosting and Microsoft 365 specialist	 HAWK 	23.0	PE
 inspirit  <small>365</small>	Microsoft ERP and CRM specialists	 Standout Capital 	22.3	PE
 NEOMORE 	SAP specialists	 MB FUNDS 	10.2	PE

Nordic buyers dominate target acquisitions

Nationality of buyers of Nordic targets LTM











Transactions by target company niche



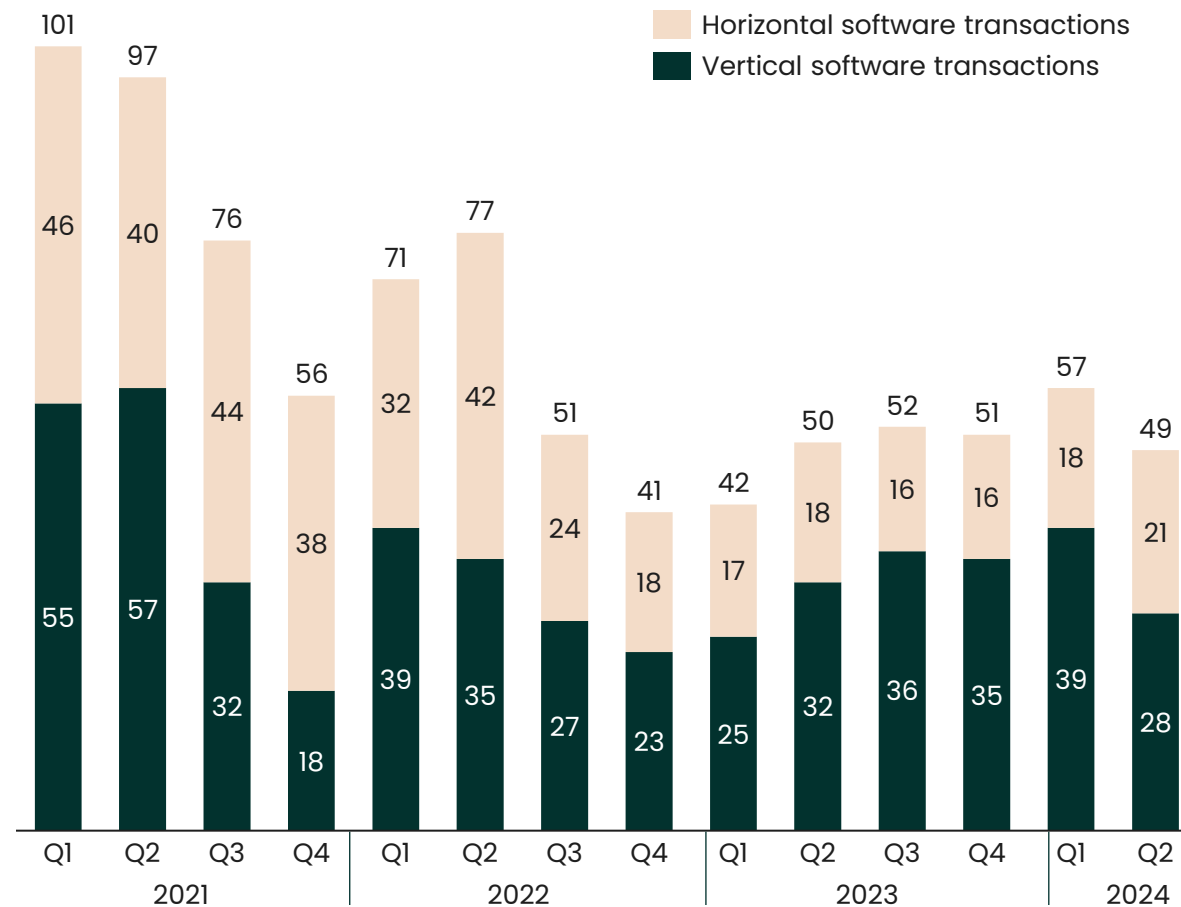
Nordic vertical SaaS experiencing significant demand

- During the last few years, vertical software transactions have accounted for 60-70% of all Nordic M&A SaaS transactions, with some of the most attractive niches include eHealth, eLearning and property & construction tech. Recent years have also seen a significant interest from private equity, including non-Nordic based funds.
- Acquiring vertical SaaS companies is attractive due to their market leadership and high customer retention. Their specialized solutions create strong competitive positions and high switching costs, ensuring stable revenue streams and long-term customer loyalty.

Notable vertical software transactions Q2 2024

Target	Sales (MEUR)	Buyer
 DIGIZUITE <small>We make digital collaboration easy</small>	12.3	 LUXION
 bid theatre	10.8	 VITEC <small>vertical software</small>
 LOGIS SOLUTIONS	8.7	 eso
 Schultz	7.9	 KARNOV GROUP

M&A transactions for Nordic SaaS targets



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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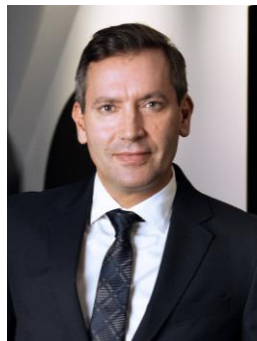
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