

Q3-2024

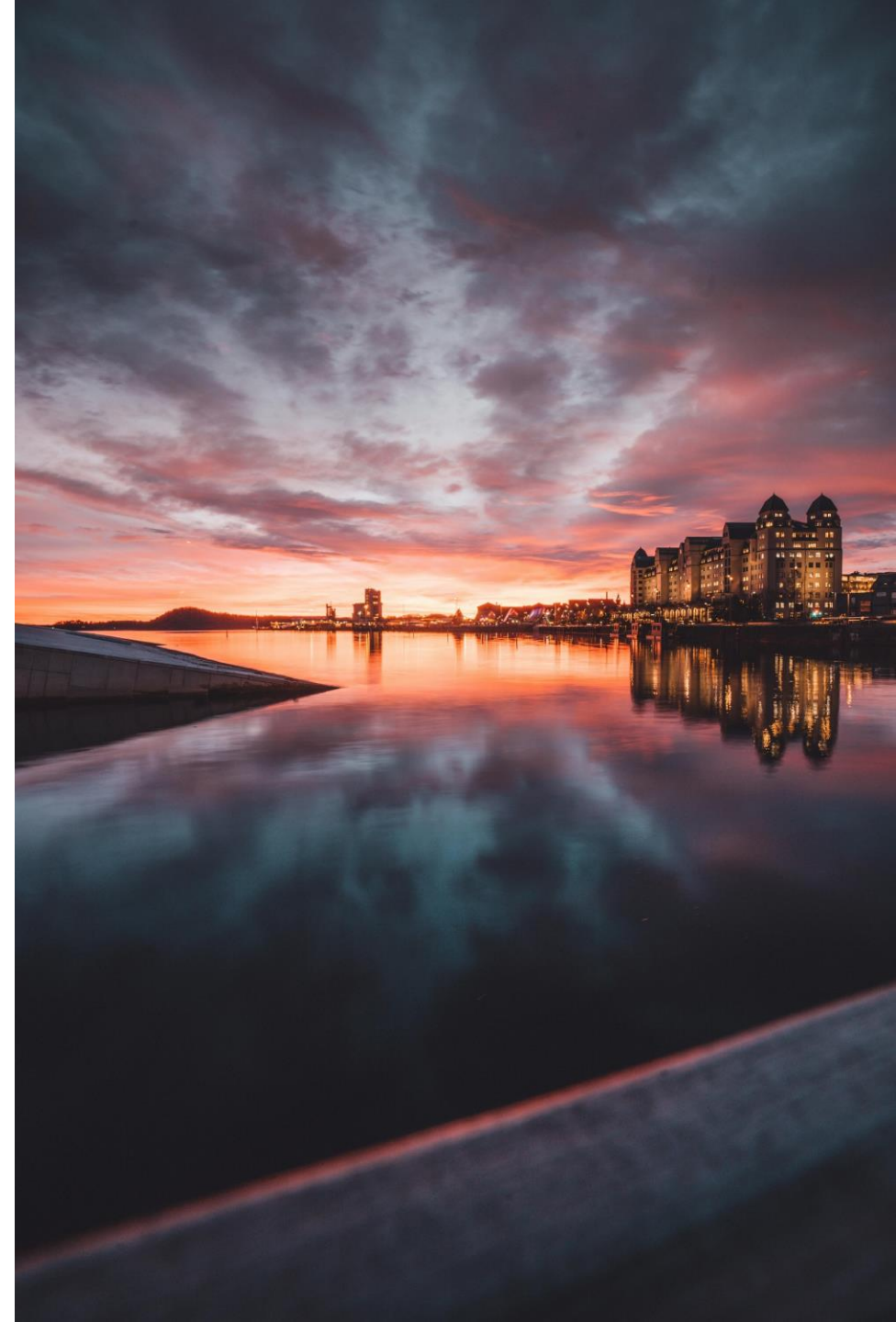
Nordic Tech

M&A Outlook

Software and IT Services
& Consulting Market

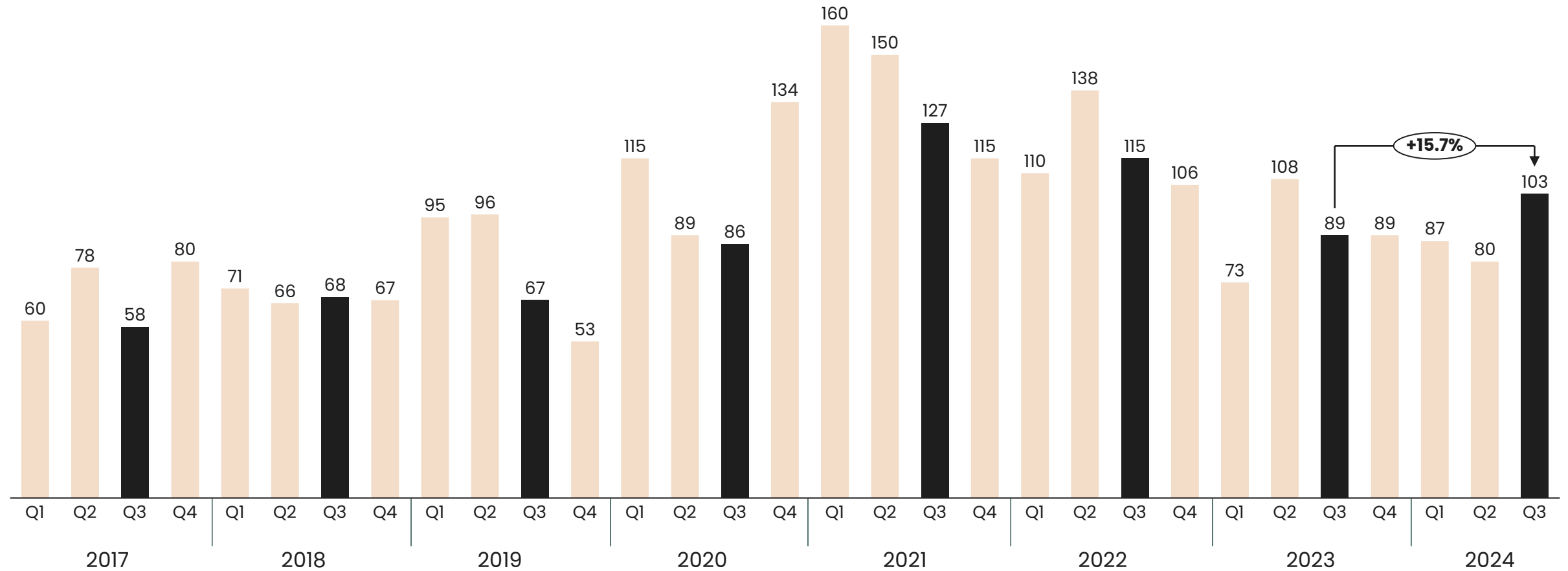
Key highlights from Q3

- In Q3 2024, the tech sector recorded 103 transactions, a significant increase from Q2 and the precedent three quarters, indicating a notable uplift in transaction volumes.
- Publicly listed software companies have traded around 3.7x EV/Sales during the last 3 months. Public IT consulting SMEs in Q3 traded at median 9.5x EV/EBITDA.
- A total of 55 transactions were recorded in the SaaS sector during the third quarter, marking an increase from Q2. Additionally, IT services and IT consulting has seen a significant rise in transactions compared to the previous four quarters.
- Foreign acquirers in the Nordic SaaS M&A market have remained active, with 38% of Q3 Nordic software transactions being executed by non-Nordic buyers. US acquirers represented a significant portion of transactions, attracted to the region by its strong history of successful deals, favorable exchange rates, and relative pricing.



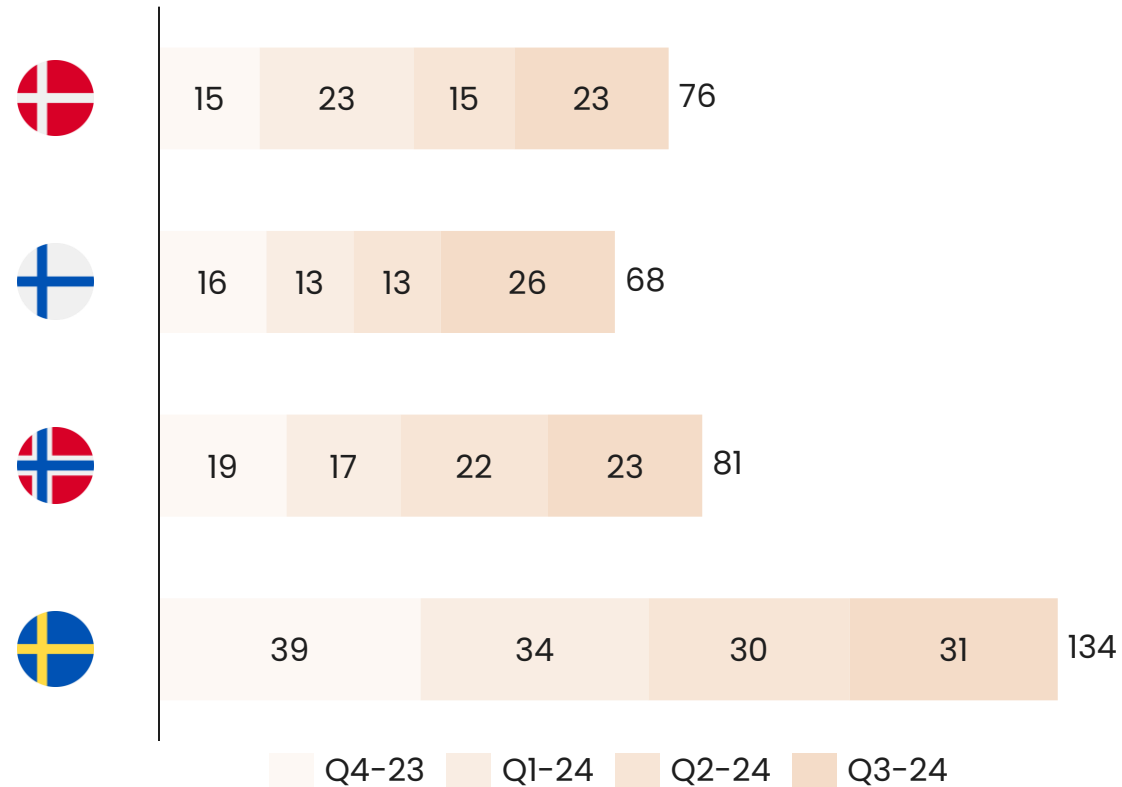
Significant increase in Q3 2024 vs. previous four quarters

M&A transactions Nordic tech targets

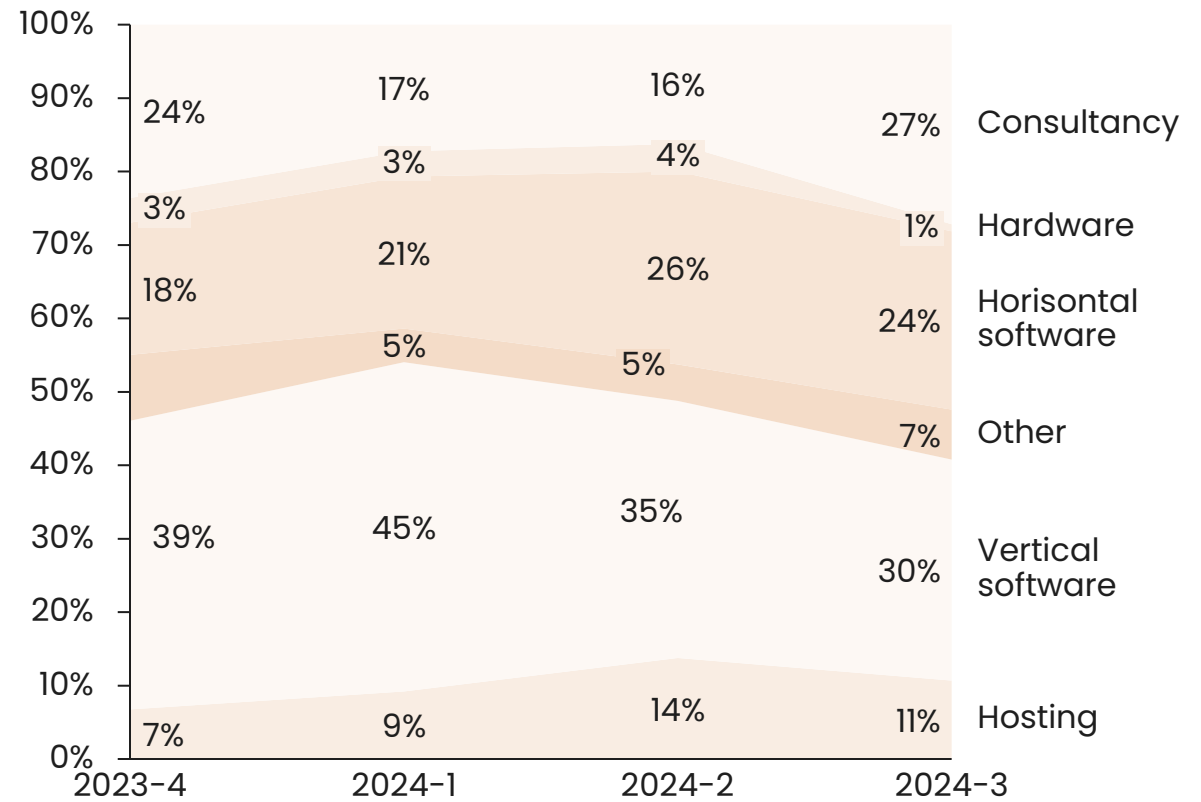


Consultancy transactions witness notable growth

Nordic transactions by target country

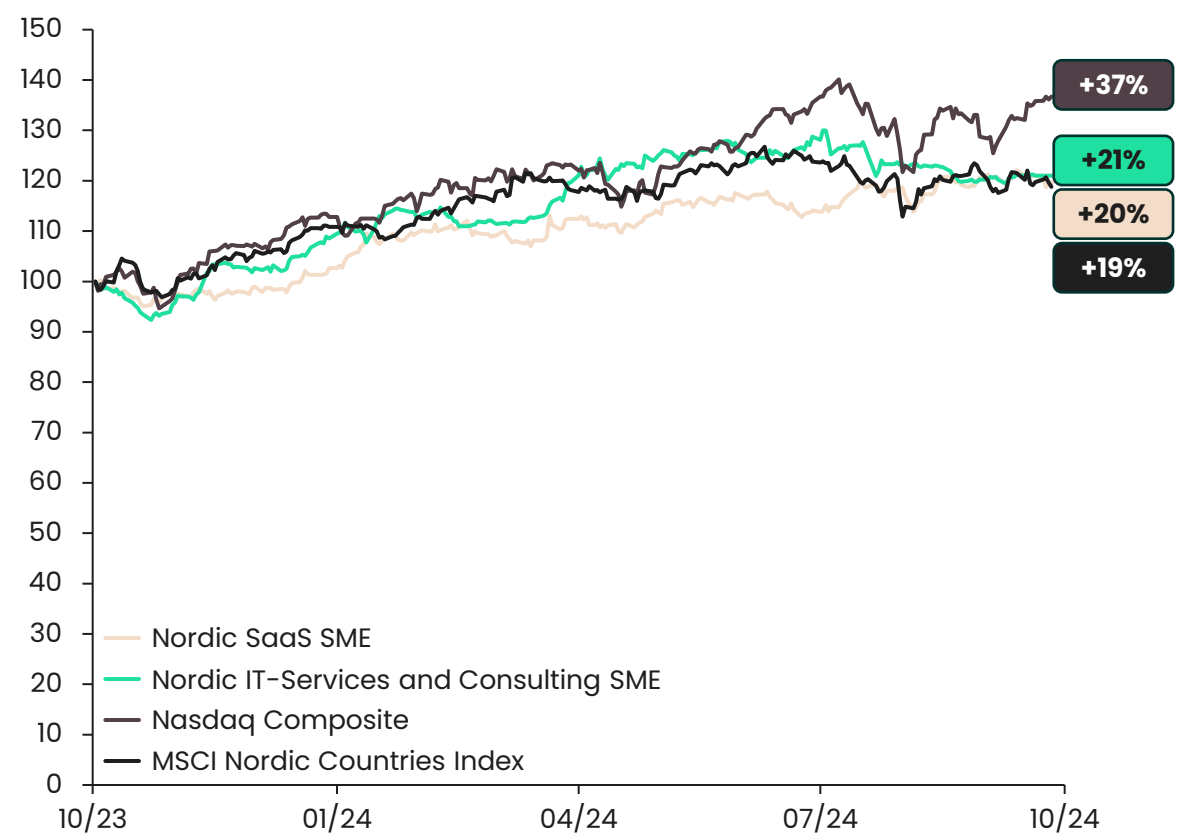


Transactions by target company niche

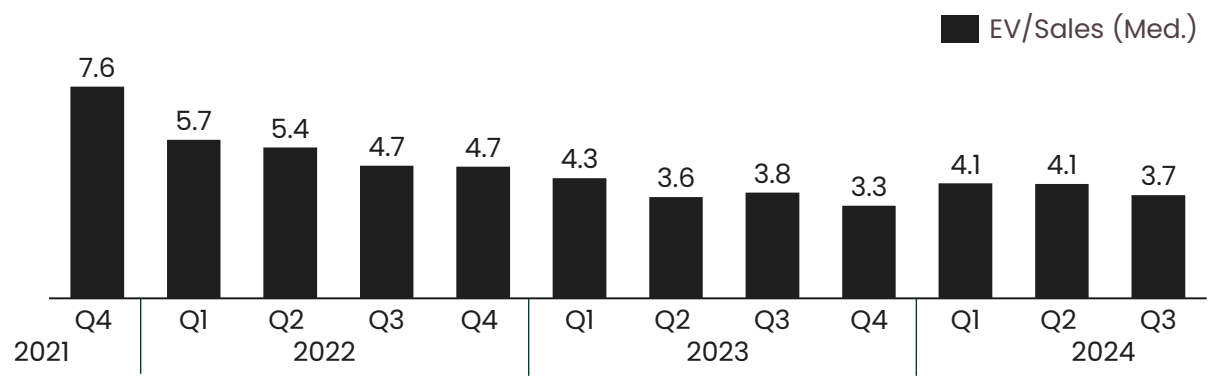


Development in Nordic public tech¹

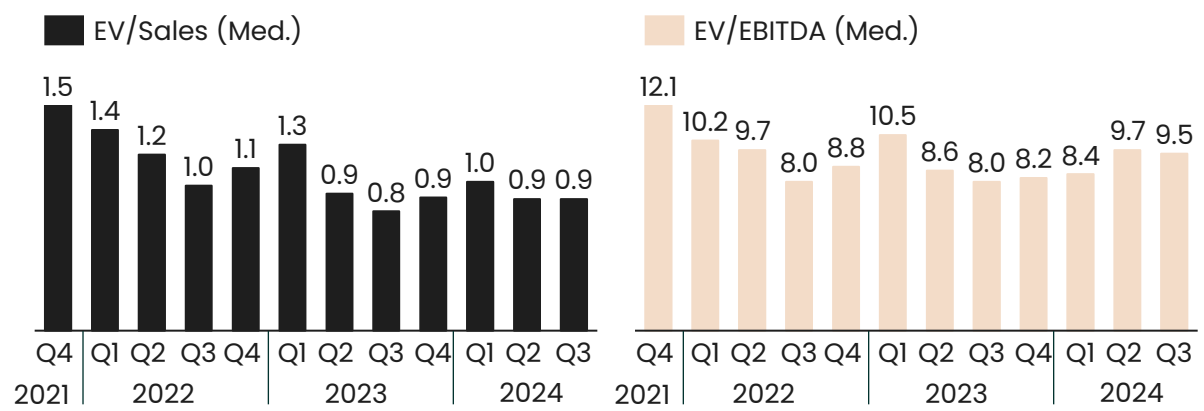
Indexes²



SME Nordic Public SaaS multiples³



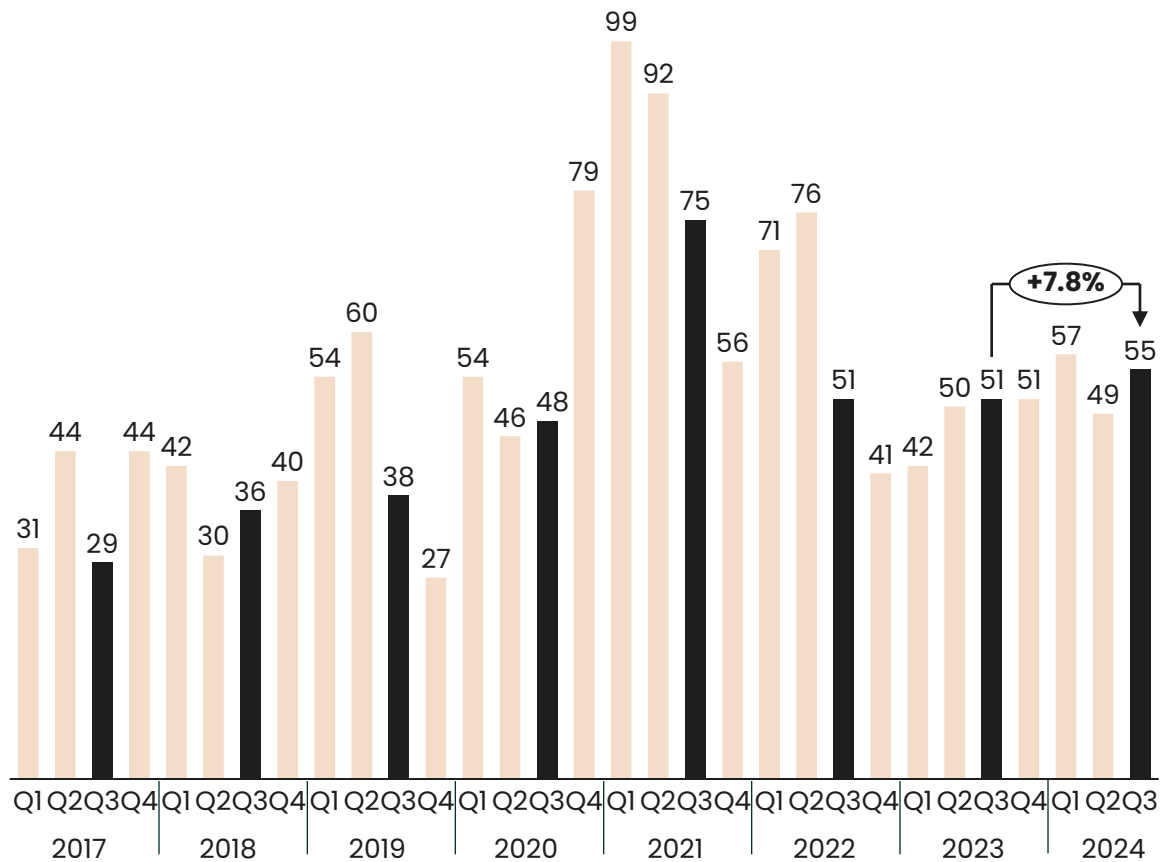
SME Nordic Public IT-Services and Consulting multiples³























Note 1) Both Nordic IT-Consulting and Nordic SaaS are equally-weighted indexes created by Stratema.
 Note 2) Nordic SaaS SME Index consists of 29 Nordic SaaS companies with market cap 100 – 5 000 MSEK. Nordic IT-Services and consulting SME Index consists of 39 companies
 Note 3) Multiples are compiled from public third-party sources..

Significant rise compared to last 12 months

M&A transactions Nordic software targets

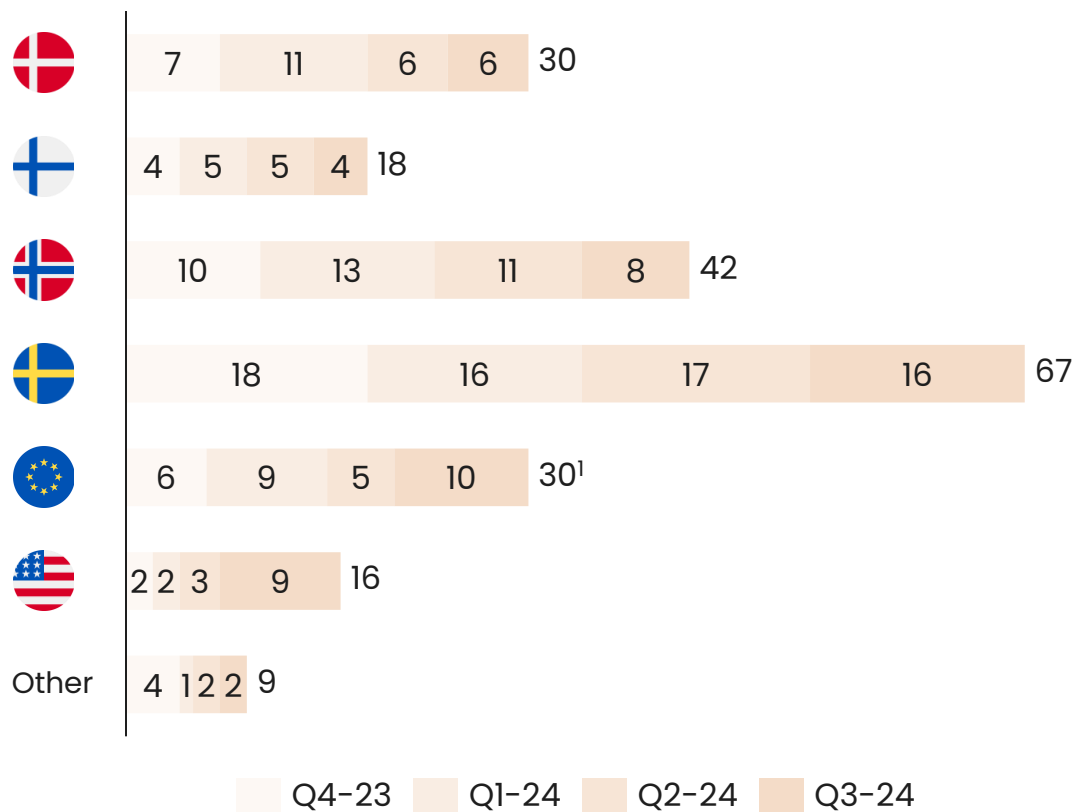


Key transactions this quarter

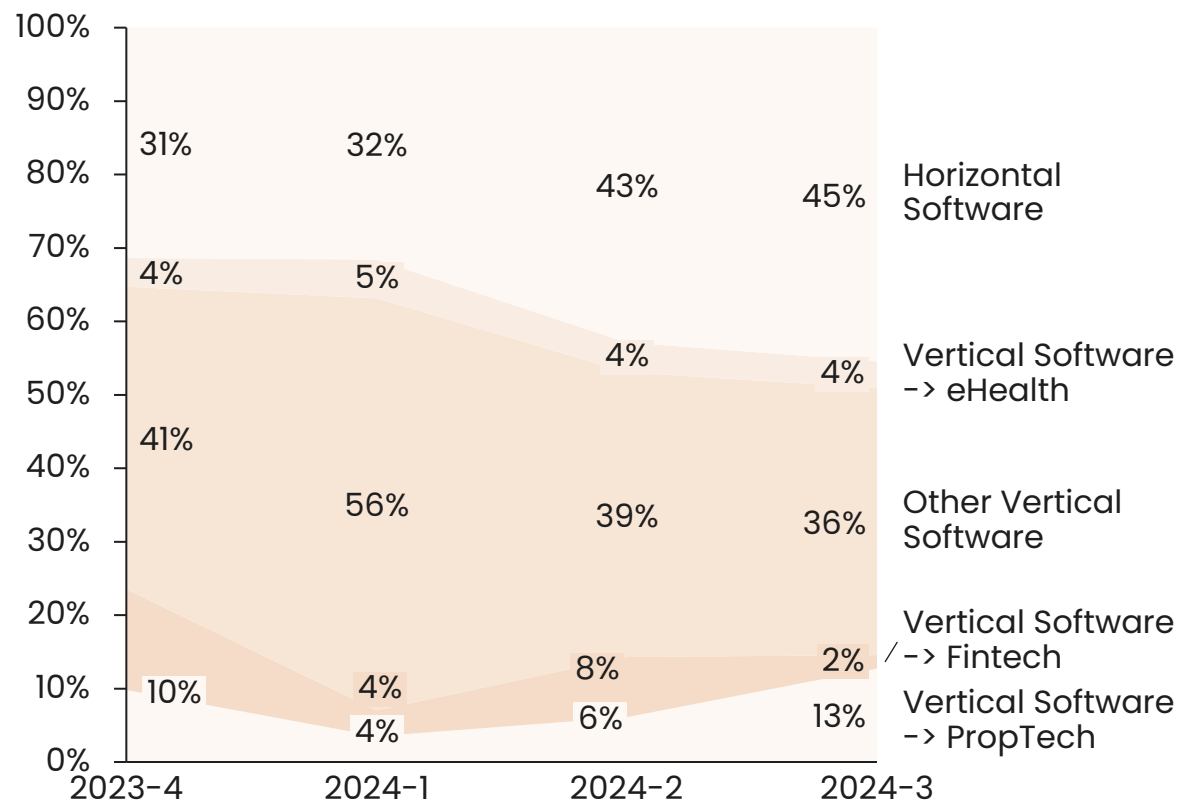
Target	Description	Buyer	Sales (MEUR)	Type
 Recorded Future 	Cybersec platform	 	276.0	Add-on
 accountor 	Payroll and accounting software	 	100.0	PE
 benify 	Employee benefits app	 	67.1	PE-backed
 VOYADO 	Customer loyalty platform	 	57.1	PE
 sensio 	Care technology provider	 	34.5	PE

Vertical software dominating SaaS activity

Nationality of buyers of Nordic targets LTM

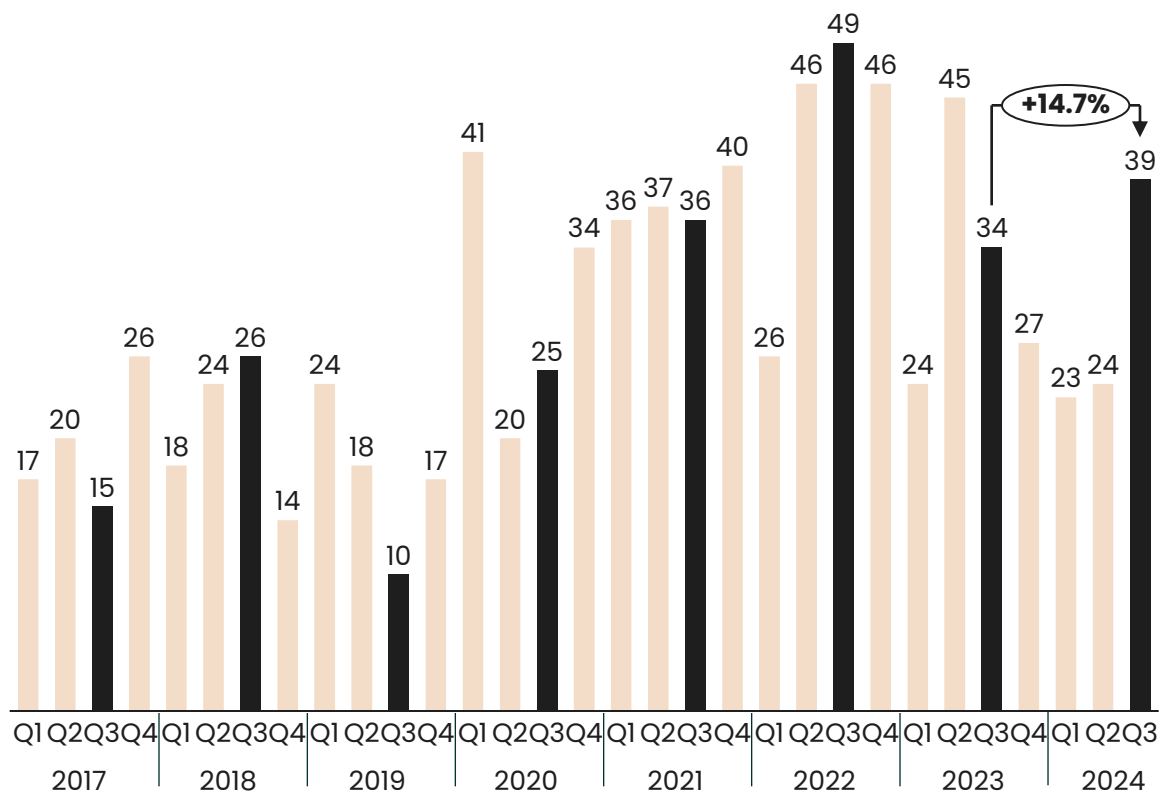


Transactions by target company niche













Significant rise compared to last 12 months

M&A transactions Nordic IT services & consulting targets

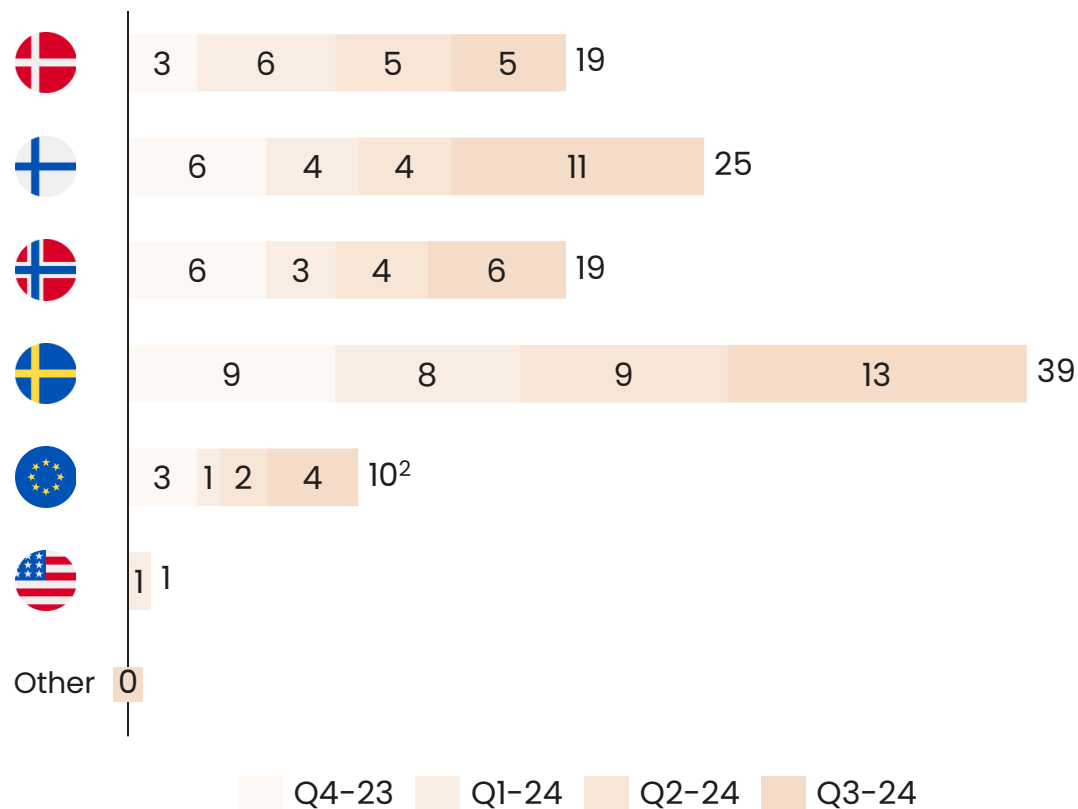


Key transactions this quarter

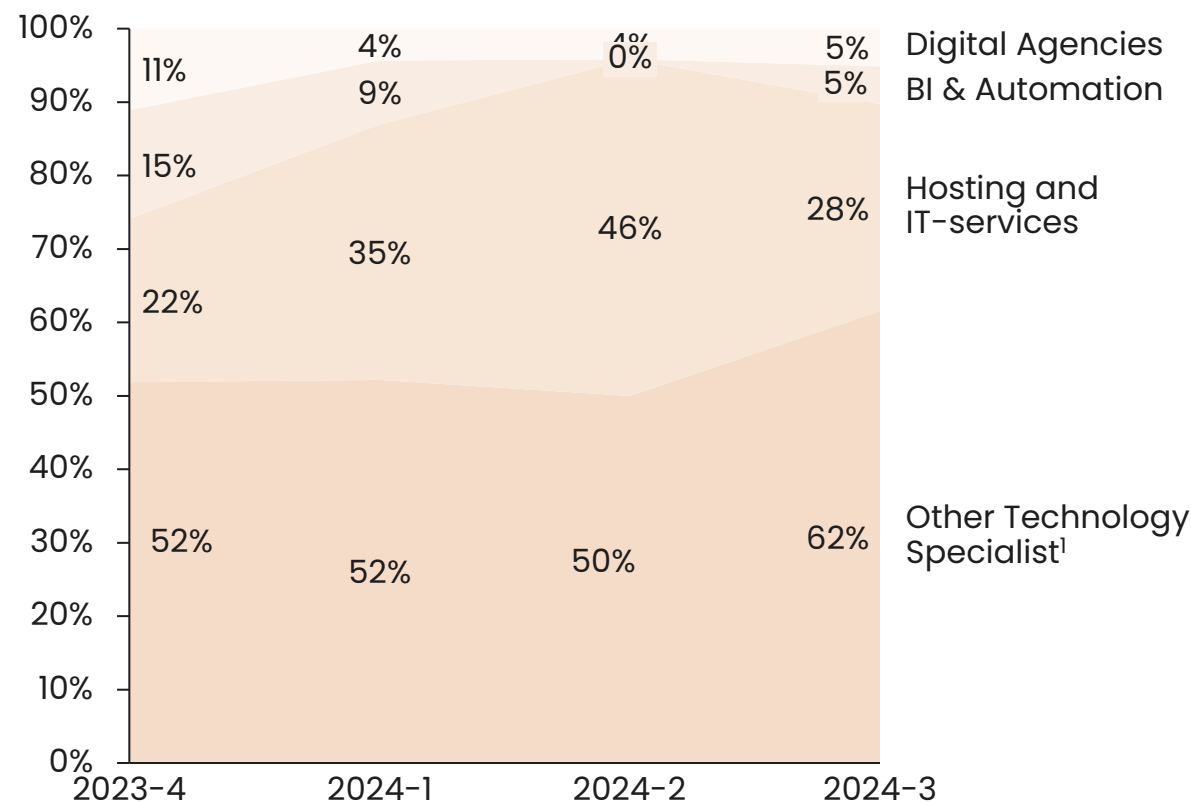
Target	Description	Buyer	Sales (MEUR)	Type
ecit 	Hosting, consulting and accounting	TOWERBROOK 	357.5	PE
nnit 	IT hosting	POLARIS 	246.0	PE
Lexit group 	Provider of product labeling tech	findos 	100.0	PE
semcon 	Industrial technology firm	KNIGHTTEC 	91.0 ¹	PE-backed
GDM 	Services in IT, application operations	Aderian Group 	23.8	PE-backed

Acquisition targets mainly captured by Nordic buyers

Nationality of buyers of Nordic targets LTM



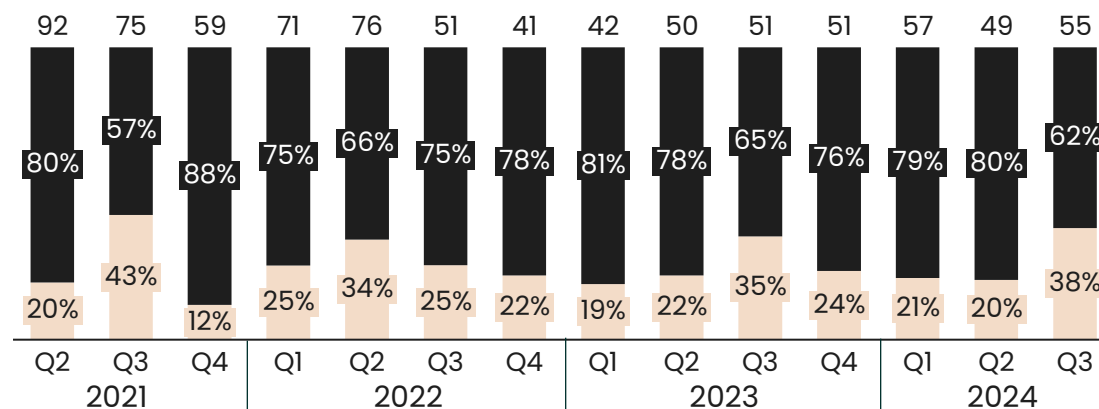
Transactions by target company niche



Nordic SaaS sees growing demand internationally

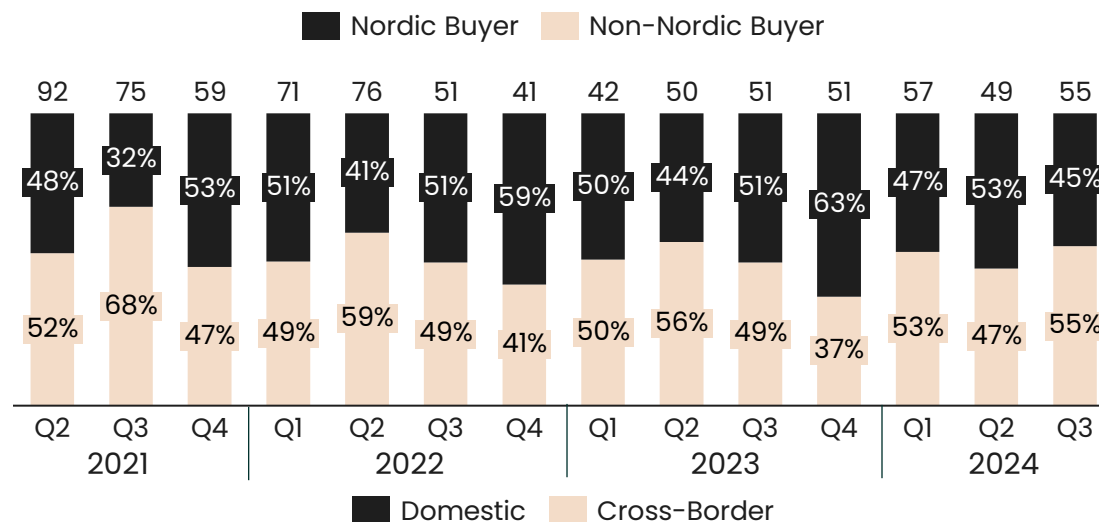
- A continuing trend shows the Nordic SaaS M&A market increasingly attracting foreign buyers, with a significant number of Q3 2024 deals originating from outside the region. The proportion of cross-border deals has reached its highest level since the second quarter of 2023.
- The Nordic region continues to attract significant attention from American investors, fueled by a history of successful ventures, favorable currency exchange rates, and attractive company valuations. In Q3, more than 40% of transactions with a non-Nordic buyer were performed by US-based acquirers.

M&A transactions (Nordic SaaS target companies)



Notable non-Nordic acquirers Q3

Target	Sales (MEUR)	Buyer
	50.0	
	30.0	
	16.3	
	14.2	



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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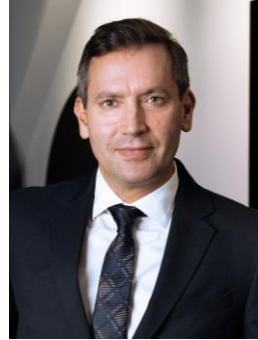
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