

Q4 2024

Nordic Tech

M&A Outlook

Software and IT Services  
& Consulting Market

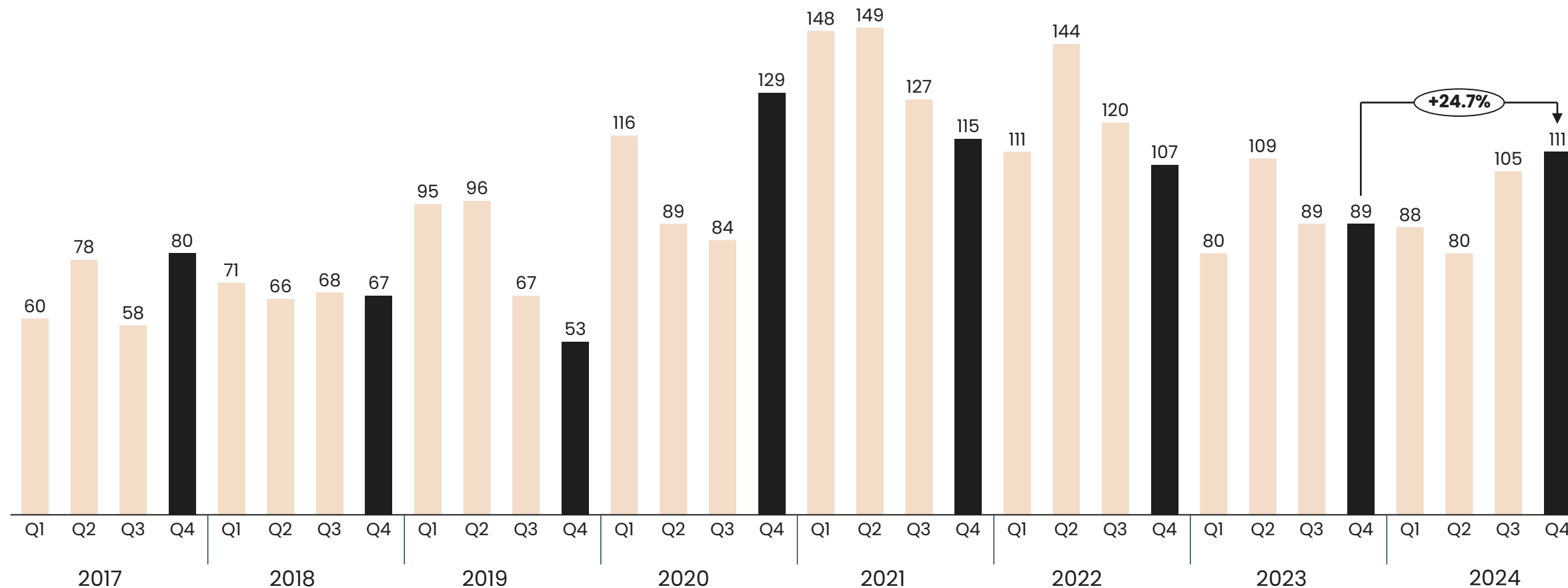
# Key highlights from Q4

- 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.



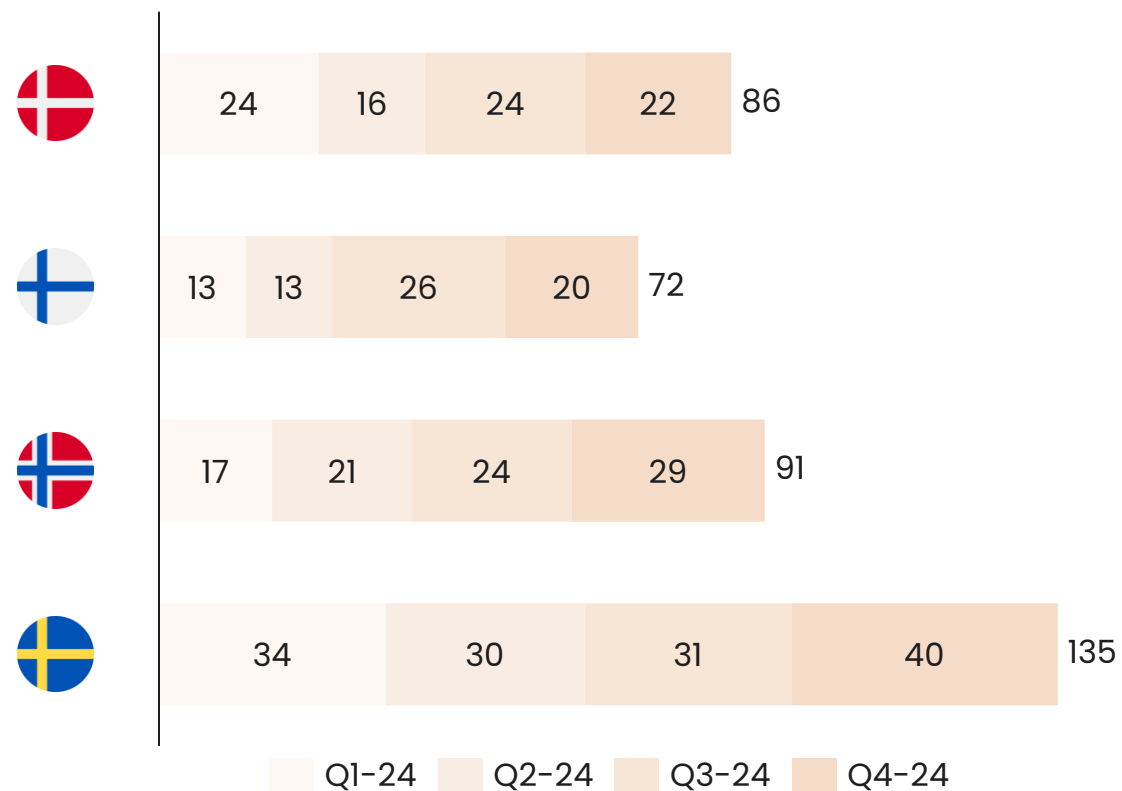
# Strong growth in transactions in the last twelve months

M&A transactions Nordic tech targets

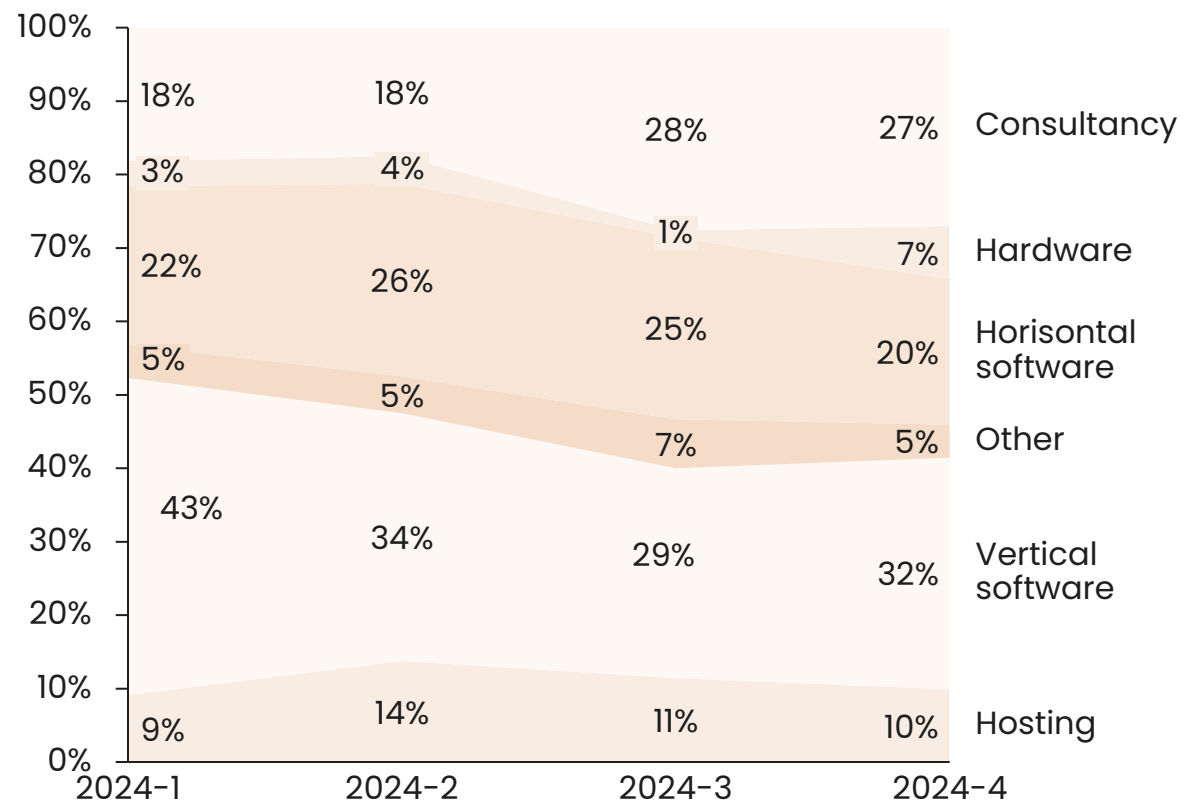


# Vertical SaaS and consultancy lead Q4 growth

Nordic transactions by target country

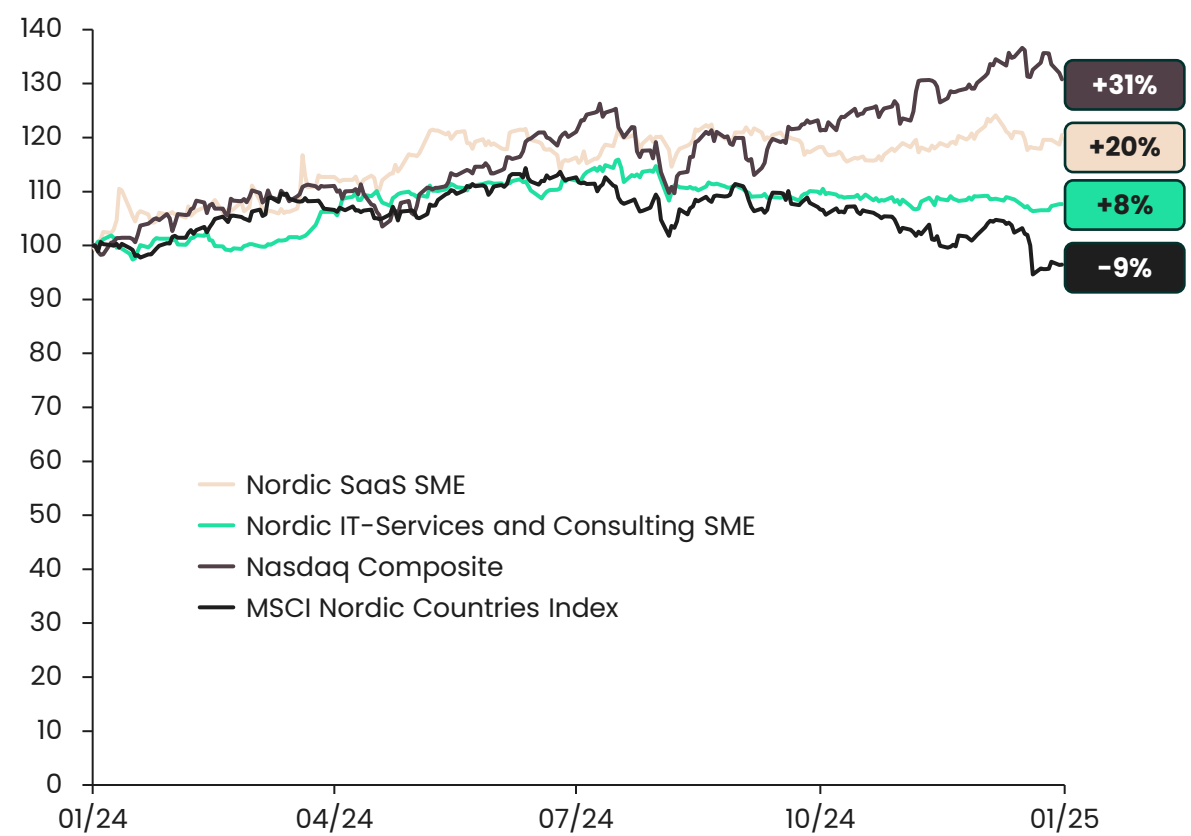


Transactions by target company niche

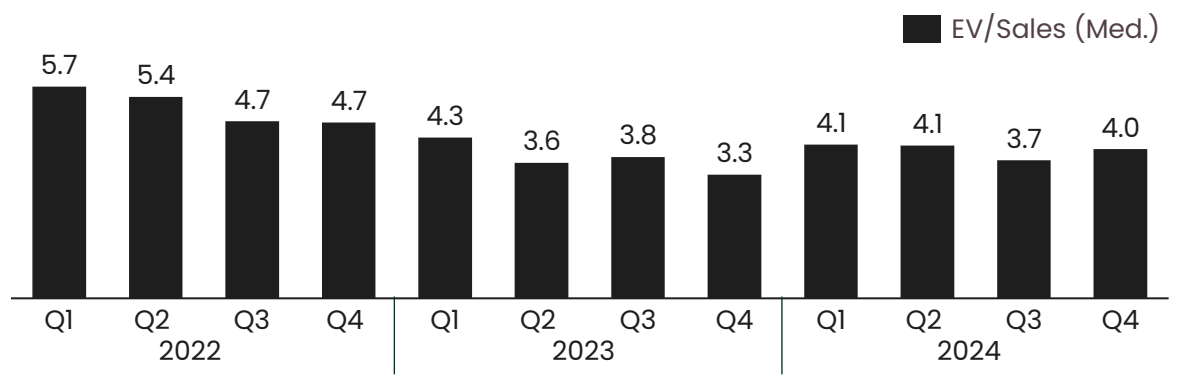


# Development in Nordic public tech<sup>1</sup>

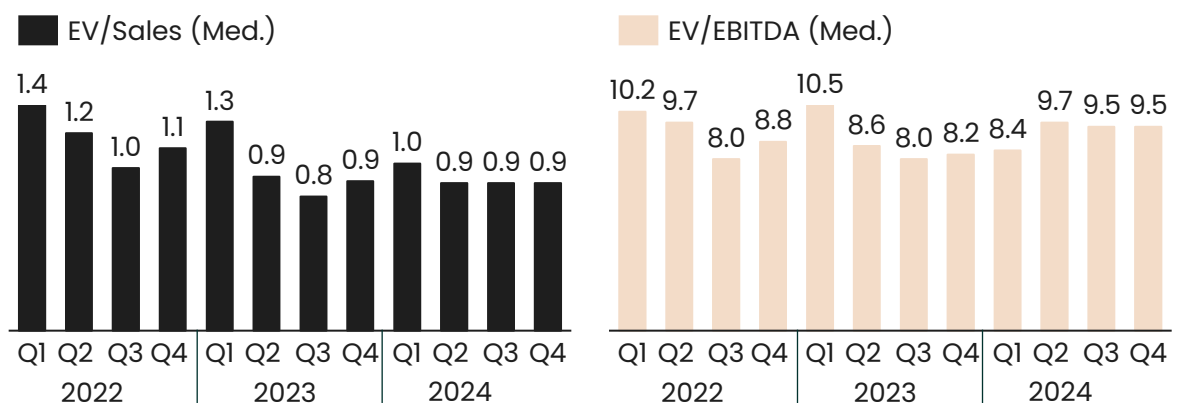
Indexes<sup>2</sup>



SME Nordic Public SaaS multiples<sup>3</sup>



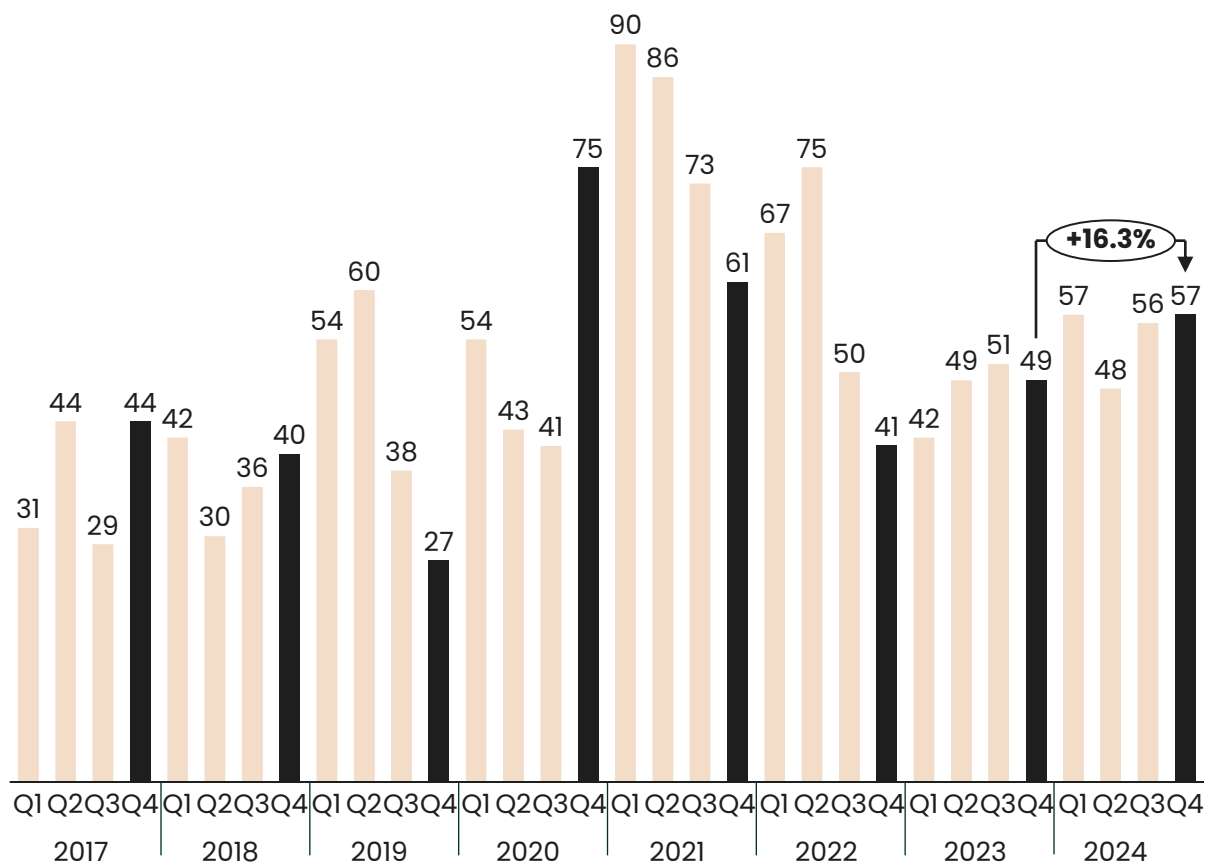
SME Nordic Public IT-Services and Consulting multiples<sup>3</sup>



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

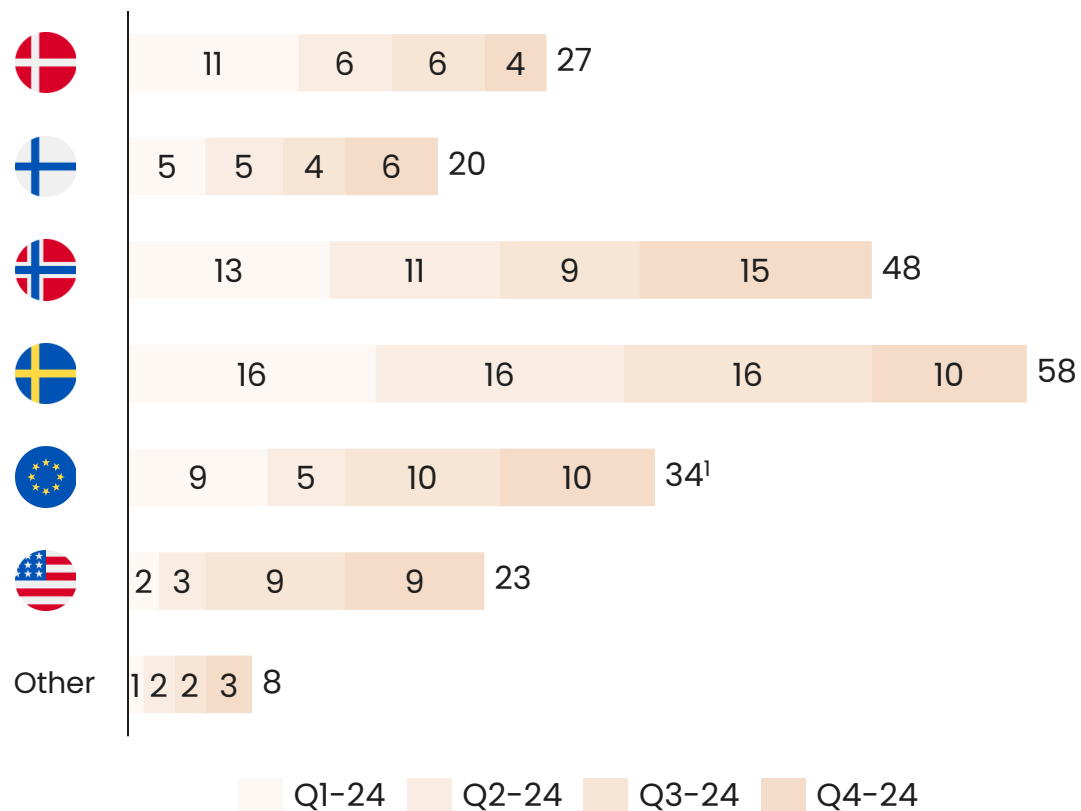


## Key transactions this quarter

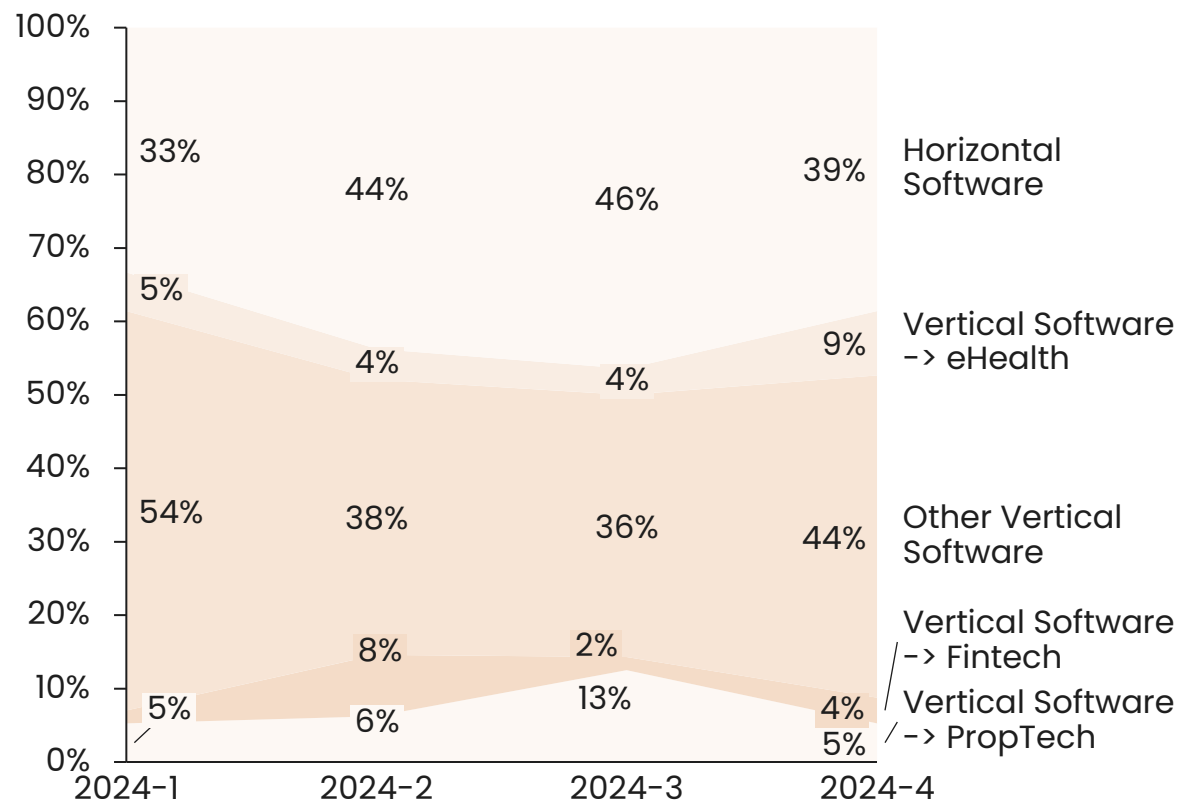
Target	Description	Buyer	Sales (MEUR)	Type
PENN30	Signature solution, audit companies	VISMA	13.1	PE-backed
wint	Accounting and payroll automation	Norvestor	13.0	PE
detectify	Attack surface and application scanning	INSIGHT PARTNERS	12.7	PE
ZISSON	Contact Center as a Service (CCaaS)	LeadDesk	9.1	Industrial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

# SaaS activity dominated by vertical software

Nationality of buyers of Nordic targets LTM

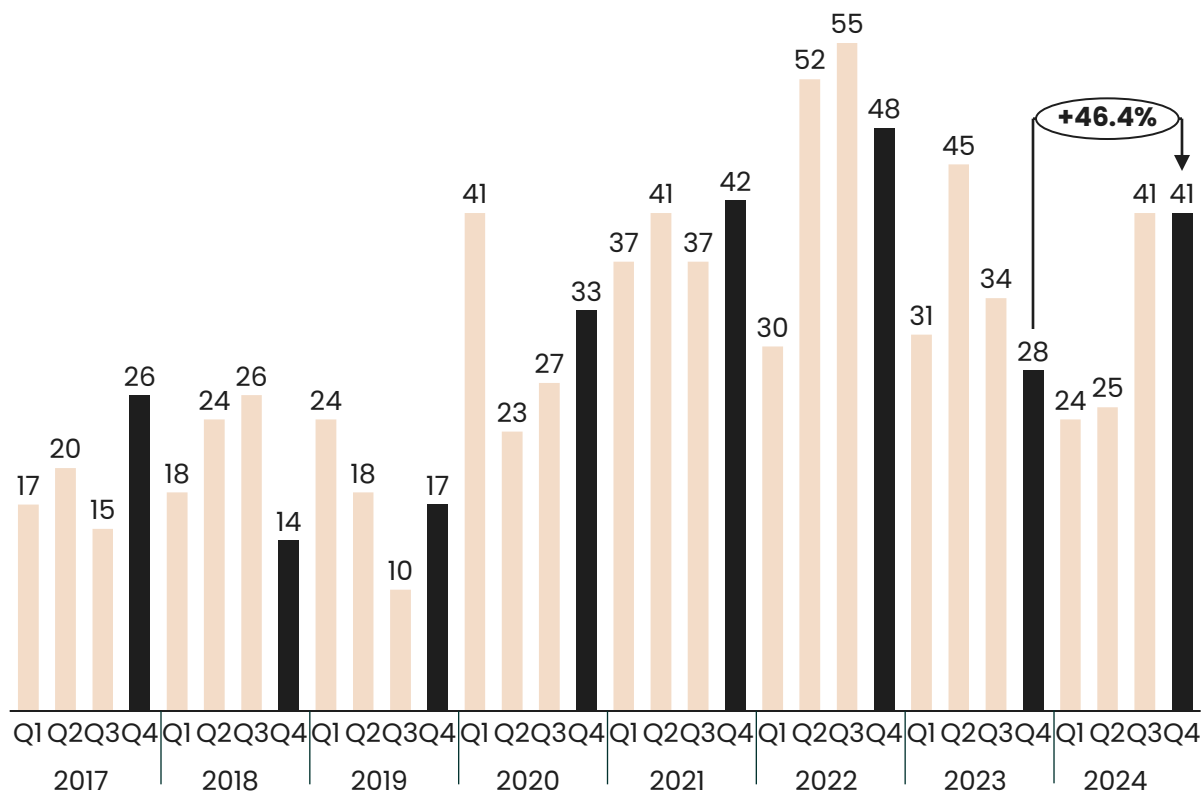


Transactions by target company niche



# Rising transaction volumes in the last twelve months

## M&A transactions Nordic IT services & consulting targets



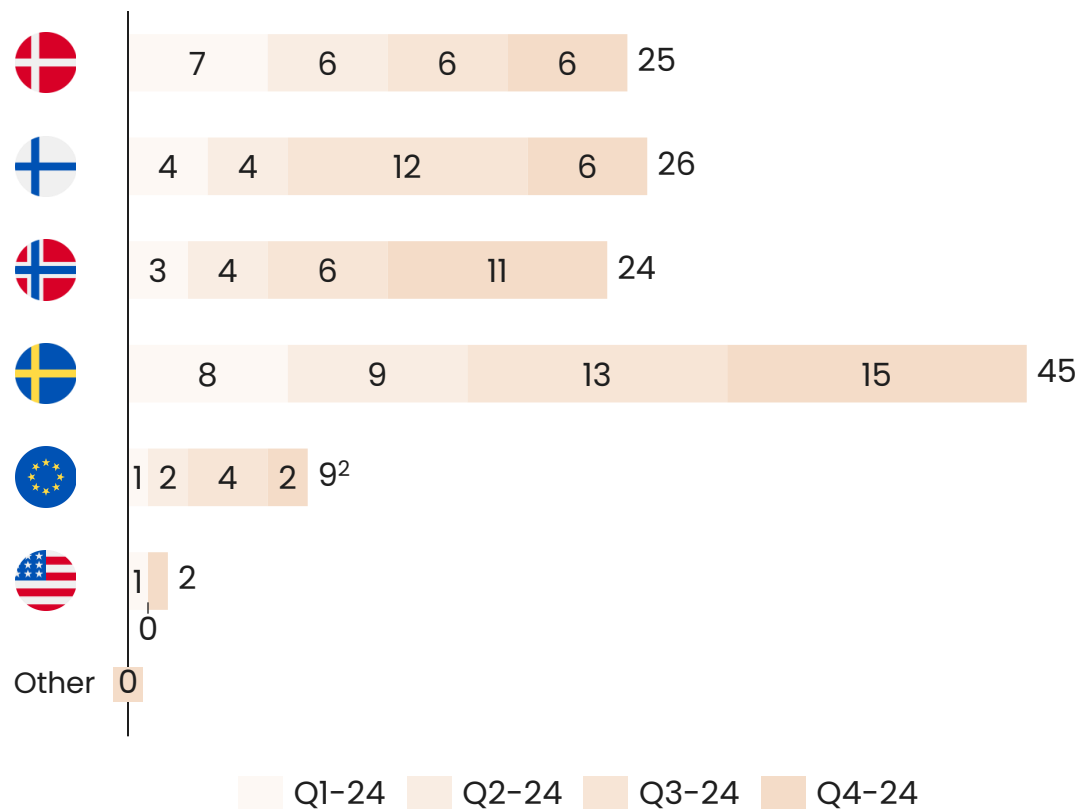
## Key transactions this quarter

Target	Description	Buyer	Sales (MEUR)	Type
AIDER	Accounting and ERP systems	CASTIK CAPITAL	126.0	PE
EDITA PRIMA	Communication solutions	CapMan	73.6	PE
Qlosr	IT hosting, public and private sector	ecit	56.1	PE-backed
enfo	Cloud and network provider	TIETOKESKUS	46.4	PE-backed
Braathe	IT hosting	iteam	44.5	PE-backed

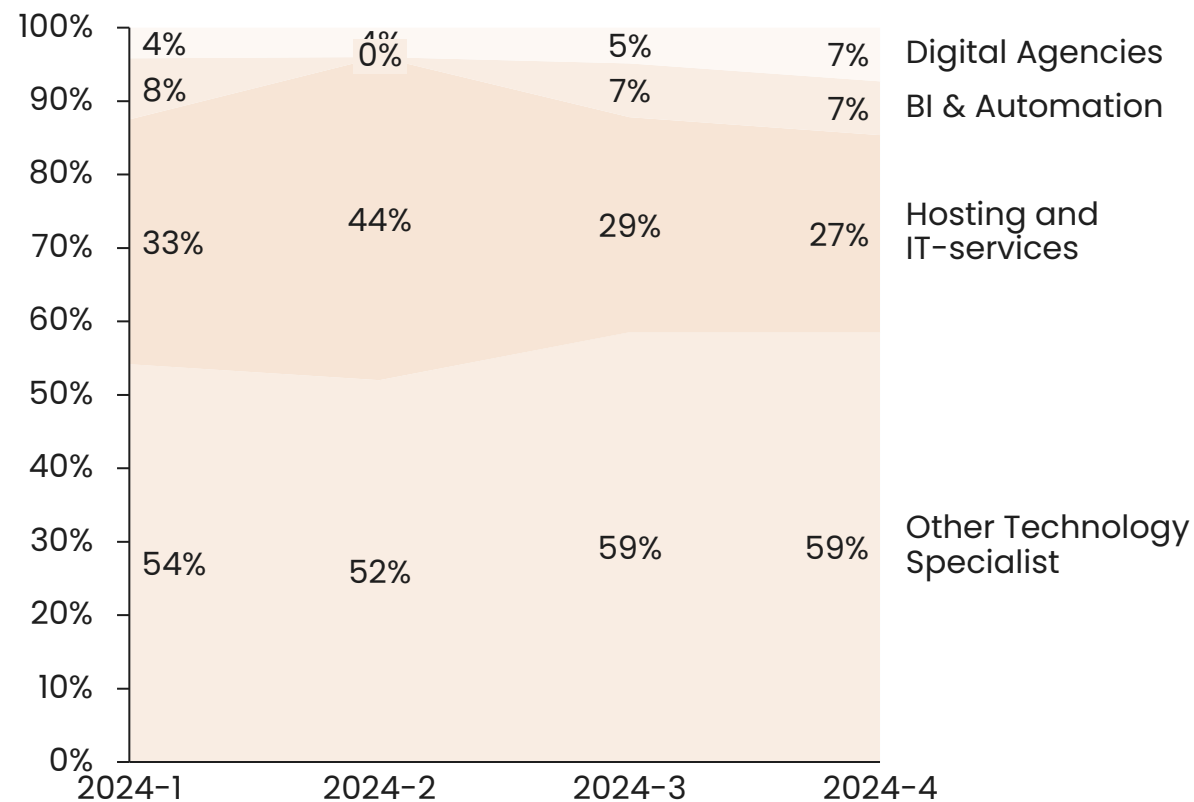


# Nordic buyers maintain their strong foothold

## Nationality of buyers of Nordic targets LTM



















## Transactions by target company niche



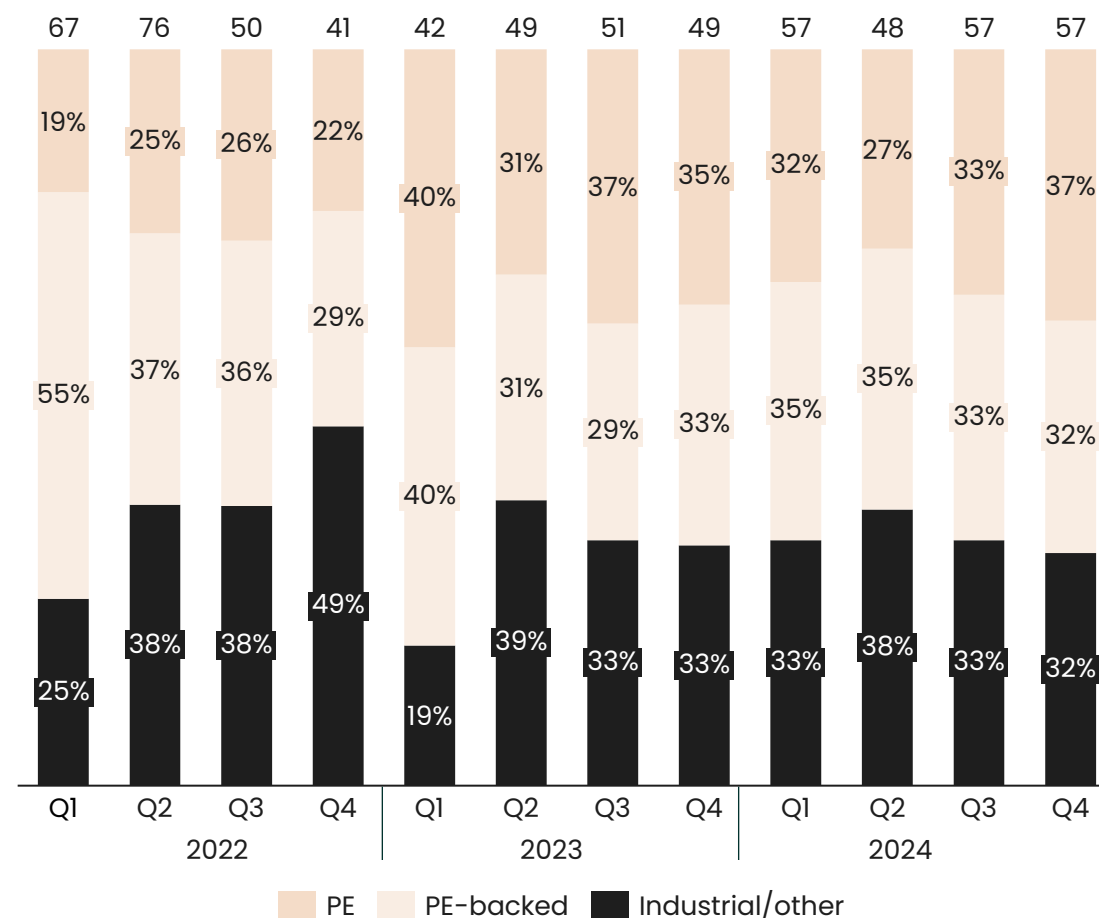
# PE firms fuel Nordic SaaS acquisition activity

- Despite a challenging financing market in terms of new fundraising<sup>1</sup>, 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
 	11.7	 
 	11.3	 
 	7.7	 
 	7.5	 

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.

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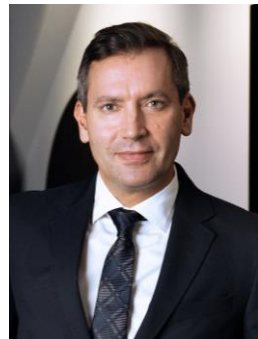
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