

Q1 2023

Nordic Tech M&A Outlook

Software and IT Services
& Consulting Market

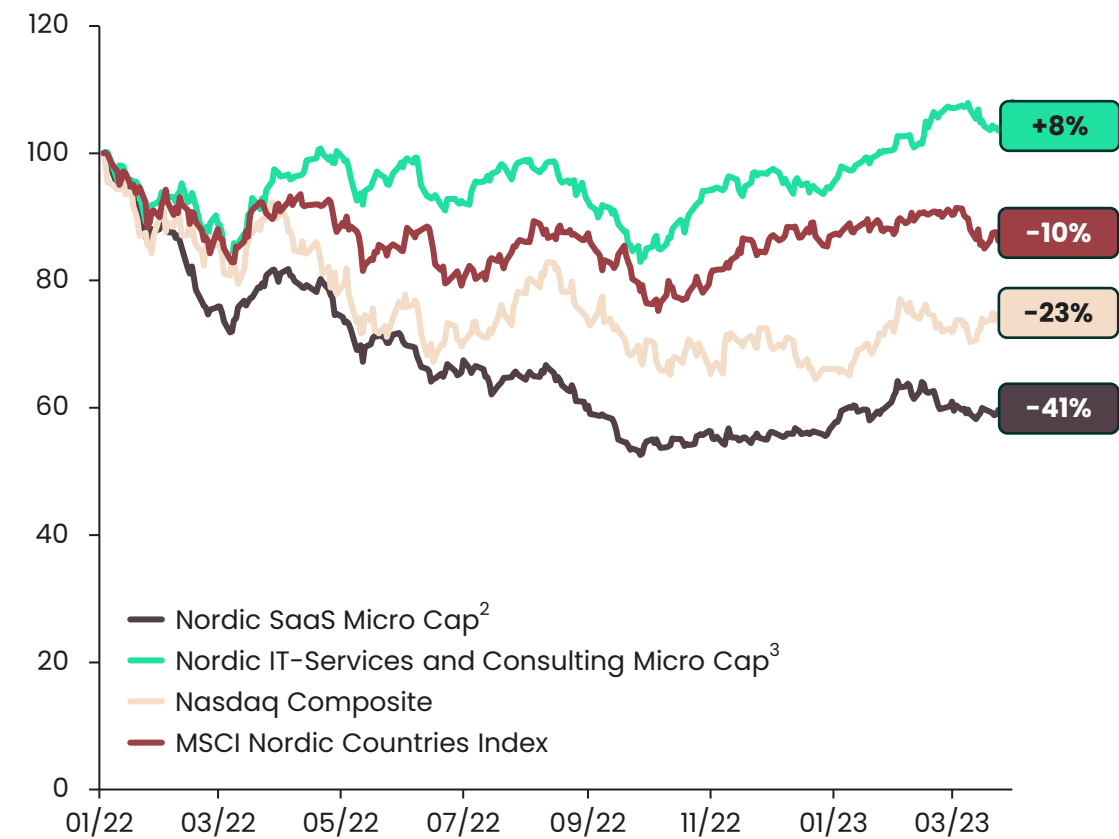


Key highlights from Q1

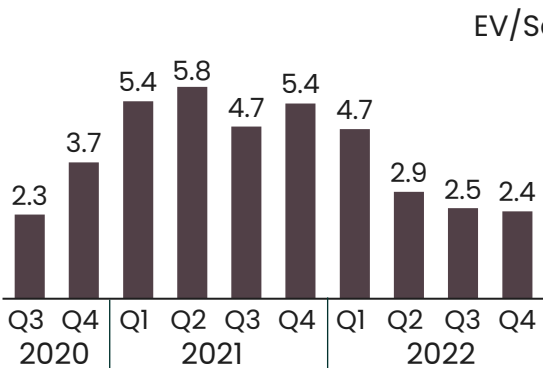
- **71 transactions** within tech were executed in Q1 2023, down 33% from Q1 2022, and down 26% from Q4 2022. In spite of a slow down in the Nordic tech M&A market, **volumes are still on par with pre-covid levels.**
- **SaaS volume remain rather unchanged for Q1 2023 compared to Q4 2022**, with a significant reduction against Q1 2022. Verticals such as PropTech and Contech are still facing high demand.
- **Reduced M&A volume for IT Services and Consulting**, with a **fall of 37%** from Q4 2022. Technology specialists such as developers and ERP/CRM specialists account for majority of transactions.
- **Private equity and sponsor-backed acquirers remain one of the main drivers of Nordic SaaS M&A activity**, accounting for majority of Q1 2023 transactions.

Development in Nordic public tech LTM¹

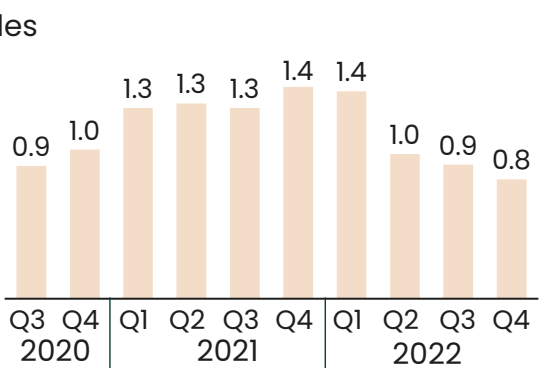
Indexes



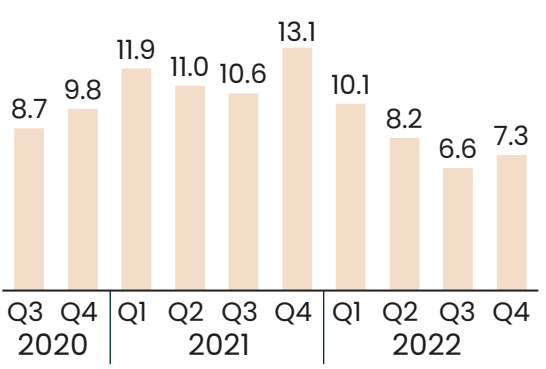
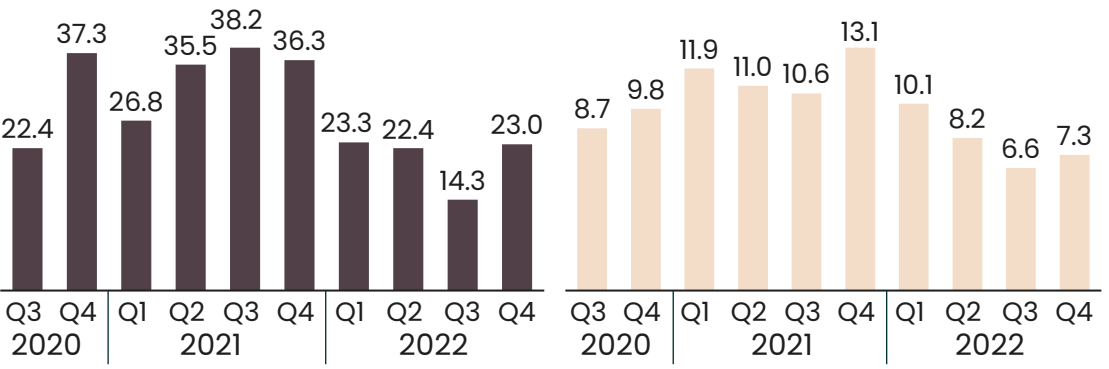
Nordic public SaaS multiples



Nordic public IT Services multiples

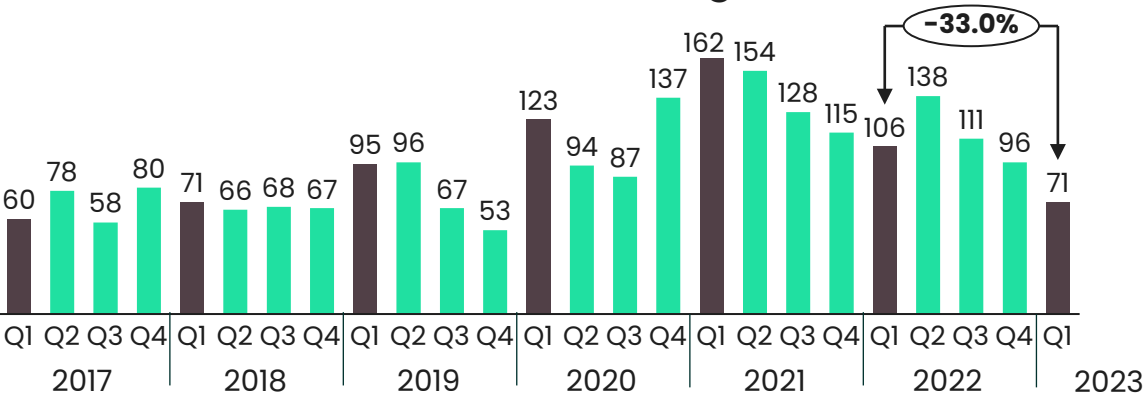


EV/EBITDA

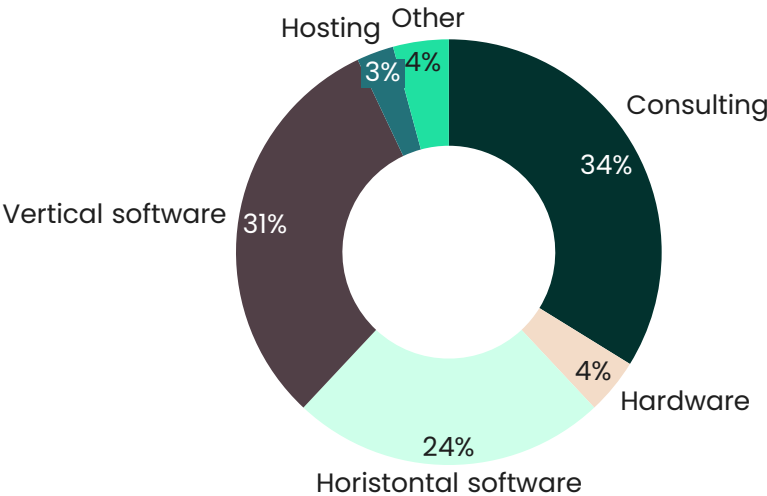


Somewhat slow start to 2023 compared to 2022

M&A transactions Nordic tech targets



Q1 transactions by Stratema-class



Q1 transactions by Nordic country (target)

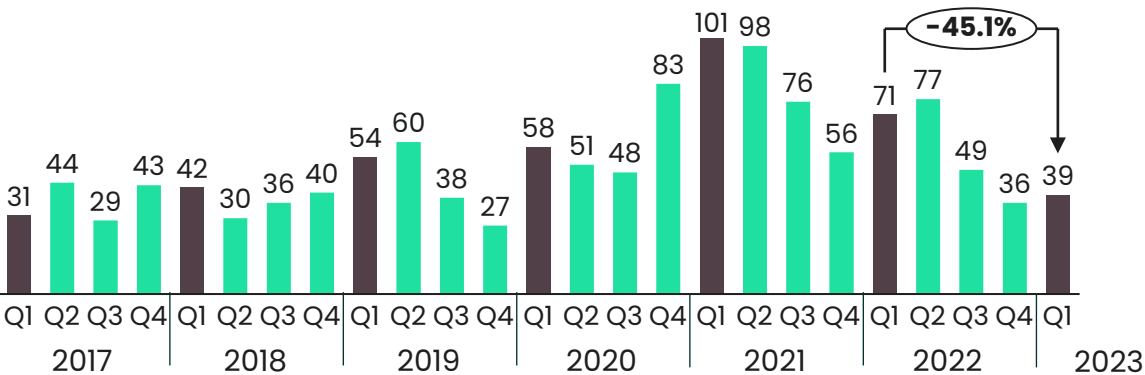


Nordic Private tech M&A multiples LTM¹

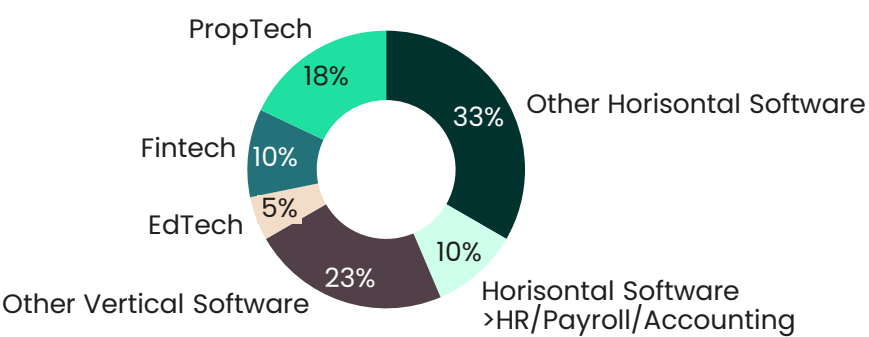
	SaaS	IT-consulting
Med. EV/Sales	3.5x	1.1x
Med. EV/EBITDA	13.8x	9.6x

Software activity on par with Q4 2022 volume

M&A transactions Nordic software targets



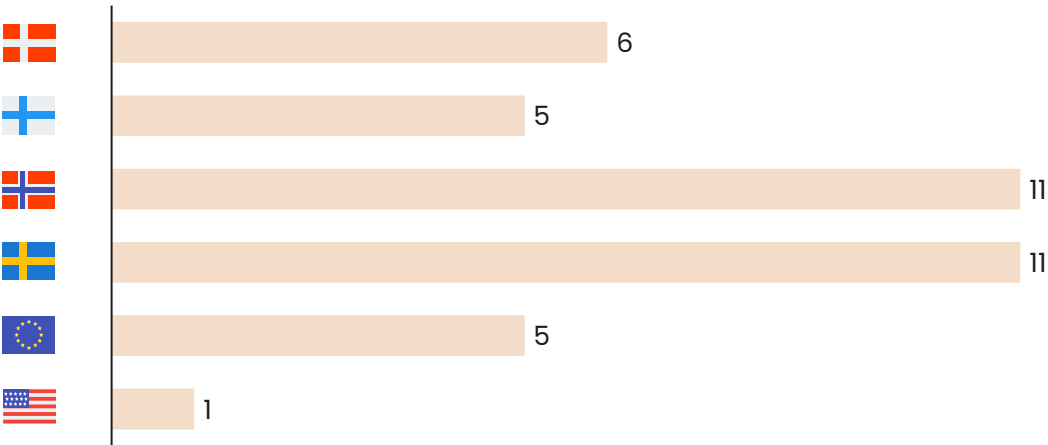
Q1 transactions by Stratema-class



Key transactions this quarter

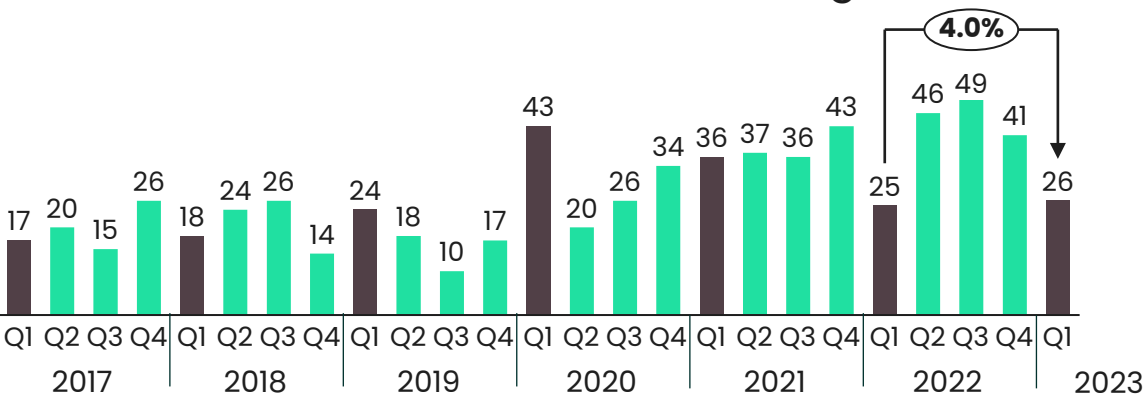
Target	Description	Buyer	Sales (MEUR)	Type
  LeadDesk	Concact Centre software (UCaaS)	 	28.1	PE
  Pasient Sky	Electronic health record system	 	25.0	PE-backed
  Flexfone	UCaaS platform	 	14.4	PE-backed
  FAST	Real estate software provider	 	8.4	Add-on
  COMPUSOFT	Software for camping and hotels	 	5.6	PE

Nationality of buyers of Nordic targets Q1

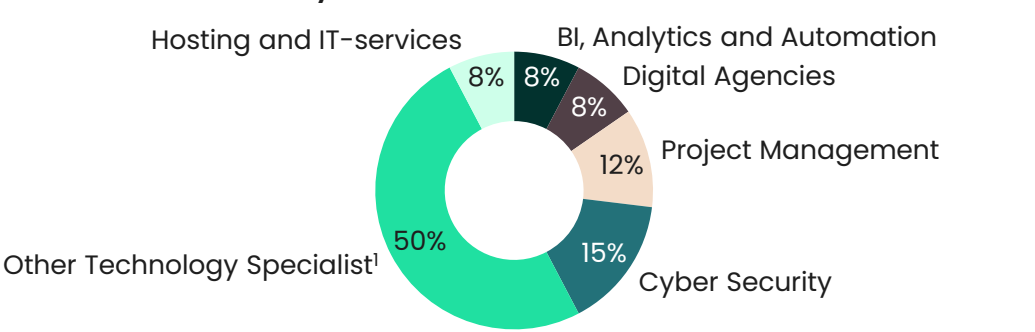


Fall from Q2-Q4 2022, although similar level to Q1 2022

M&A transactions Nordic IT services targets



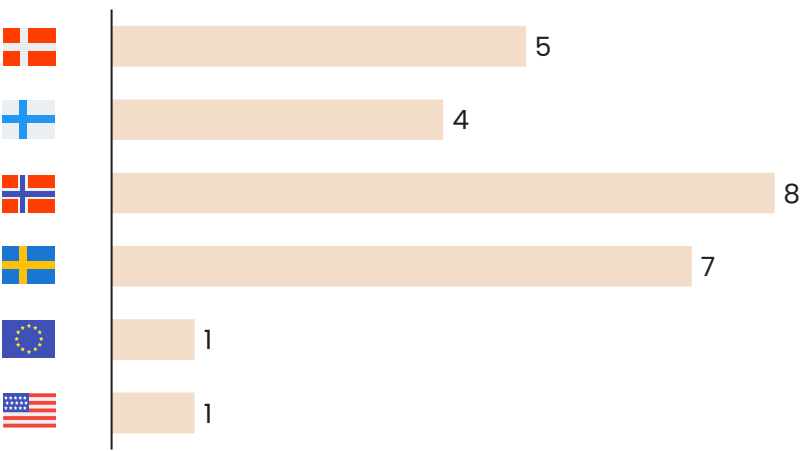
Q1 transactions by Stratema-class



Key transactions this quarter

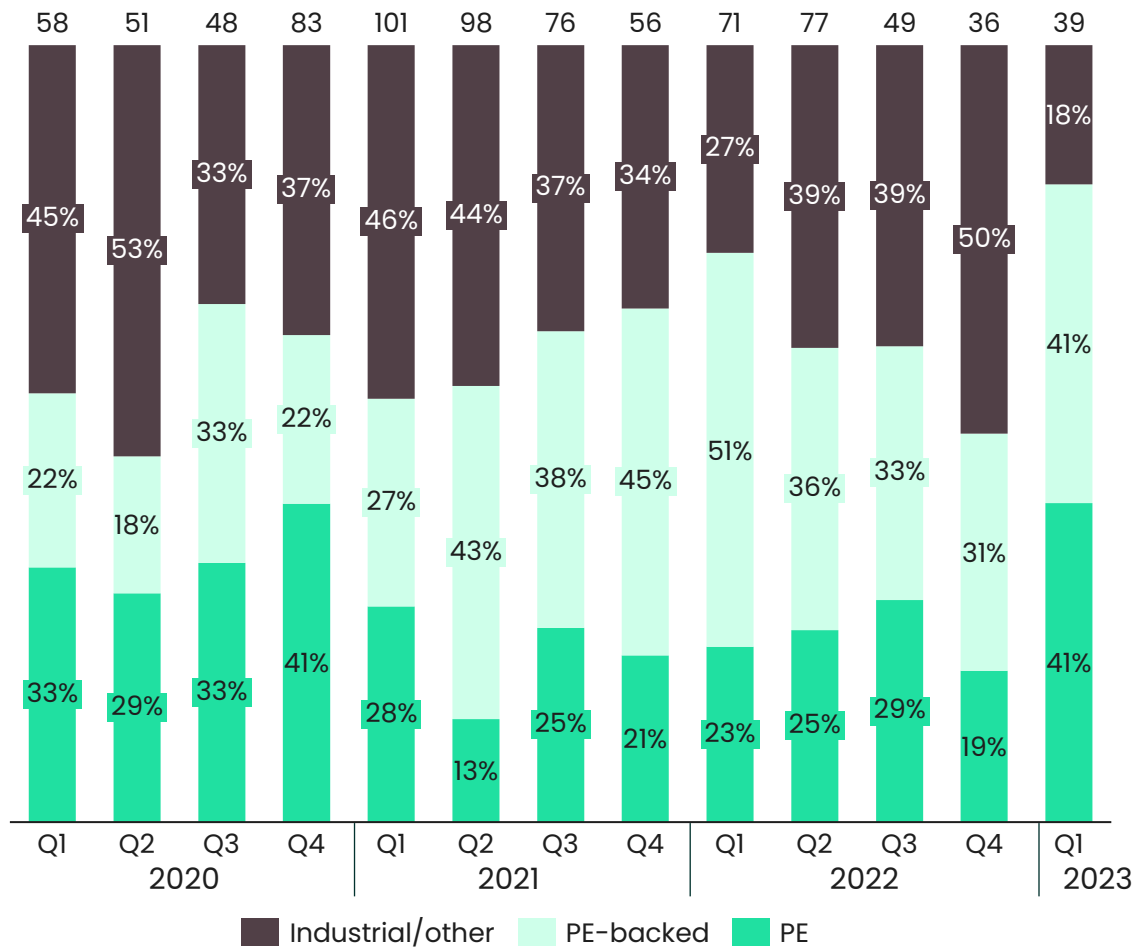
Target	Description	Buyer	Sales (MEUR)	Type
 	IT service provider (Nordics)	 	309.0	PE
 	IT Consulting and engineering	 	79.0	Add-on
 	Cyber security specialist	 	60.2	Add-on
 	Digital agency	 	15.4	PE
 	Tech specialist	 	11.9	PE-backed

Nationality of buyers of Nordic targets Q1




















Private Equity activity remains strong in Nordic SaaS

Nordic software M&A activity by acquirer type



- Despite a recent slow down in Nordic SaaS transactions, as well as increased cost in capital, private equity and sponsor-backed acquirers still account for majority of all M&A transactions.
- During March 2023, Stratema interviewed an extensive number of market participants including investment banks, private equity firms and M&A law firms in the Nordic tech market, with a large share citing vast amounts of dry powder being the main driver for PE-activity for the upcoming six months.

Notable PE acquirers Q1

Target	Sales (MEUR)	Buyer
 Meltwater 	395.0	 ALTIOR  
 NOMENTIA 	22.3	 inflexion 
 agillic 	9.0	 VIKING VENTURE 
 LOGPOINT 	5.0 ¹	 SUMMAEQUITY 

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 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



Stay in touch!

Oslo

Dronning Eufemias Gate 16,
0191 OSLO

Stockholm

Klara Norra Kyrkogata 26,
111 22 Stockholm