

Q4 2023

Nordic Tech M&A Outlook

Software and IT Services
& Consulting Market

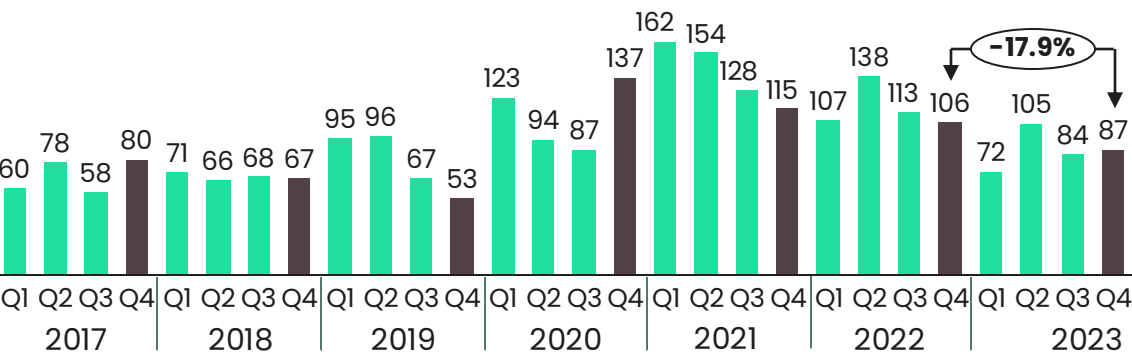
Key highlights from Q4

- In **Q4 2023, there were 87 transactions** executed within the technology industry, which is similar to the previous quarter. On a full-year basis, the number of transactions was 348, which although lower than 2022, still significantly above 2019 and 2018.
- Public software SMEs continue to trade at levels seen throughout the year. **Software companies** have traded between **3x – 3.2x EV/Sales**. Public **IT-consulting** SMEs **valuations declined** in Q4 and **traded** at median **9x EV/EBITDA**.
- **Stable activity in the software market**, with Q4 2023 on par with the two previous quarters. Total of 49 transactions were executed in the last three months. **IT Service and consulting saw a drop** in activity for the final quarter, with 27 transactions. However, similarly to the overall tech activity, 2023 volumes are above pre-covid numbers.
- **Valuations for Nordic private M&A SaaS transactions have experienced minimal reductions since all-time high**, with increased competition for SaaS and significant amounts of dry powder driving the market.

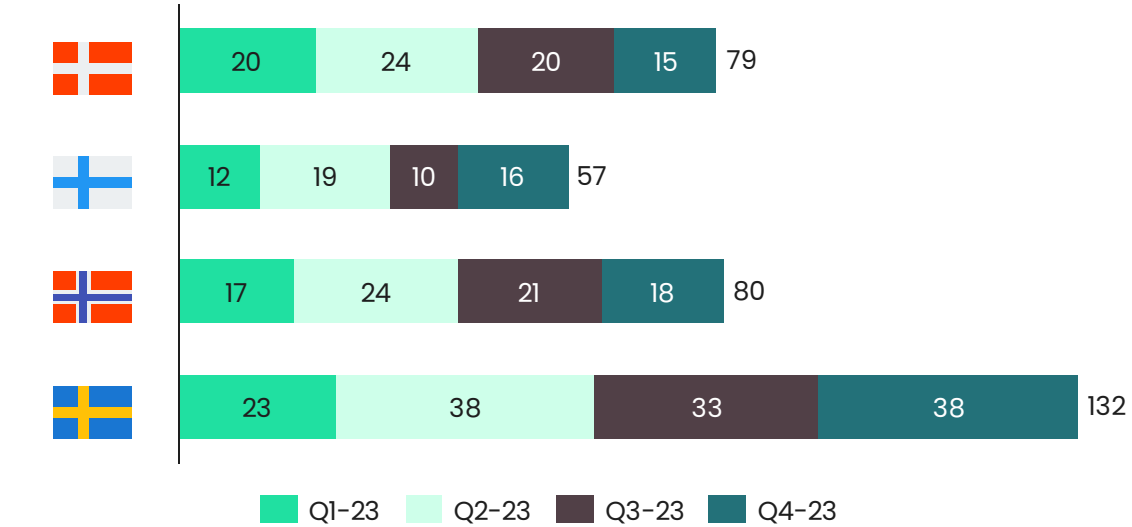


Still high M&A tech volume compared to pre-covid level

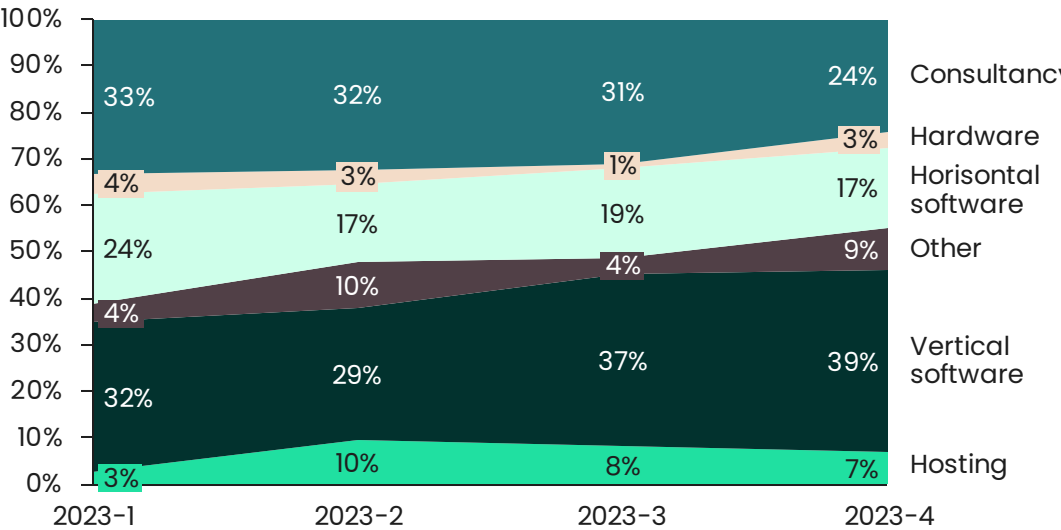
M&A transactions Nordic tech targets



Nordic transactions by target country



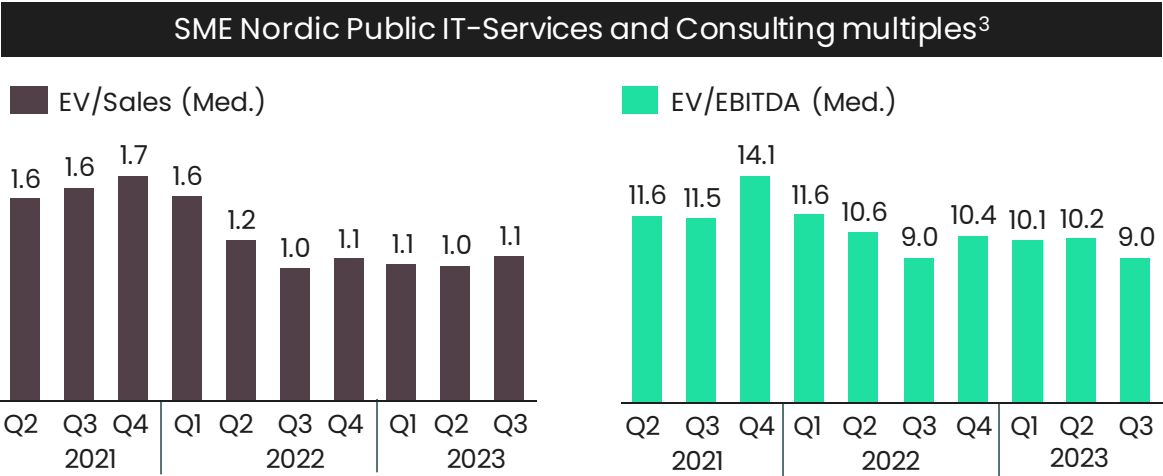
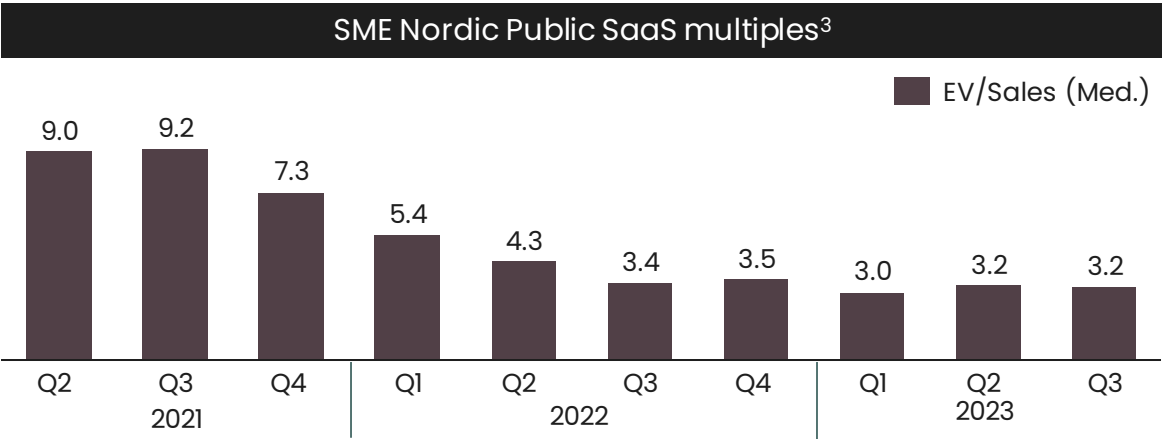
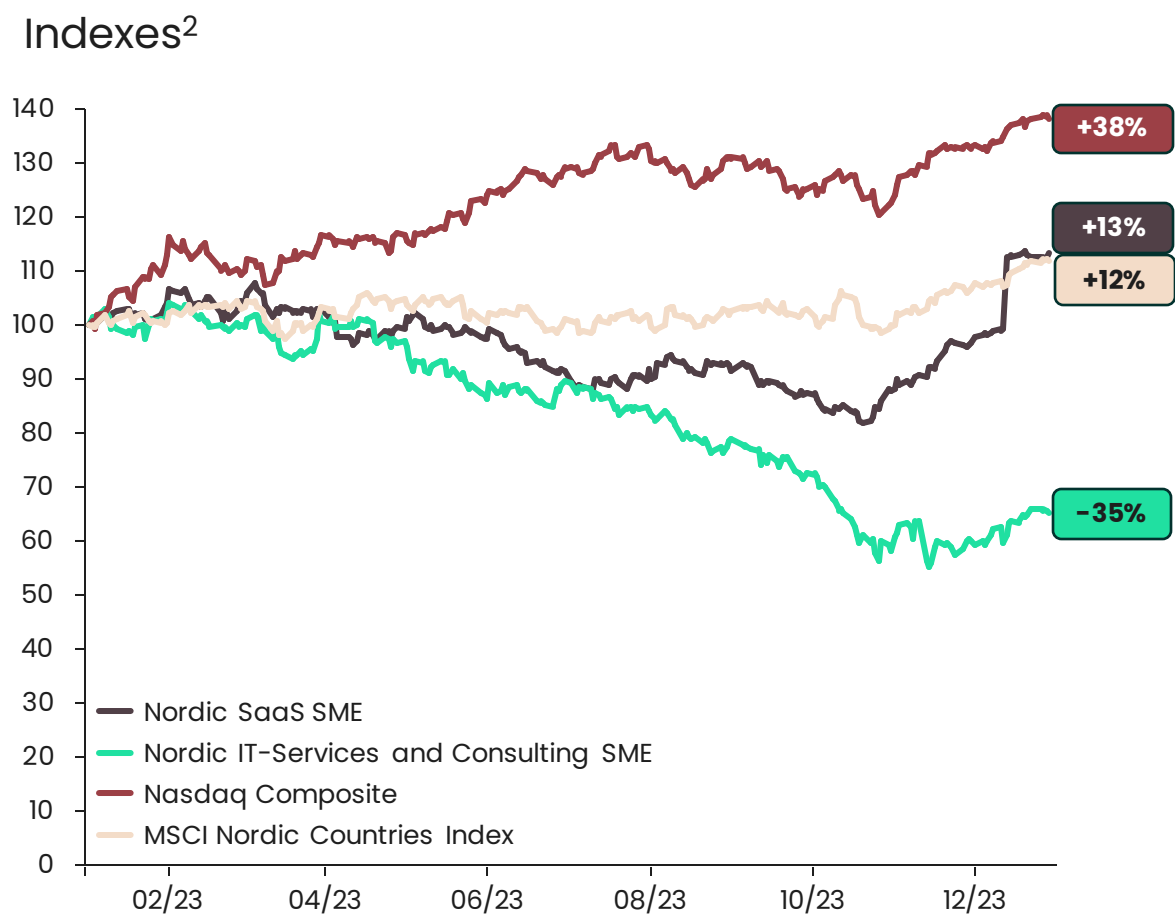
LTM development transactions by Stratema-class



Nordic Private tech M&A multiples LTM¹

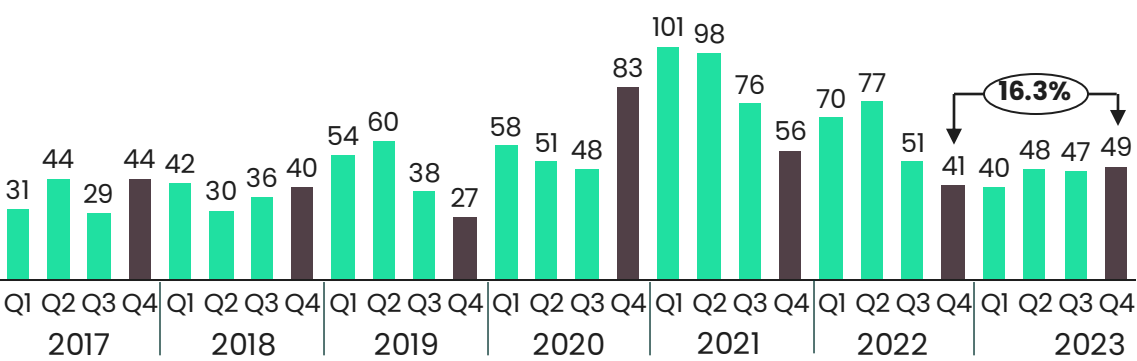
	SaaS	IT-consulting
Med. EV/Sales	3.4x	1.2x
Med. EV/EBITDA	11.9x	9.4x

Development in Nordic public tech¹



Strong quarter, slightly above LTM average

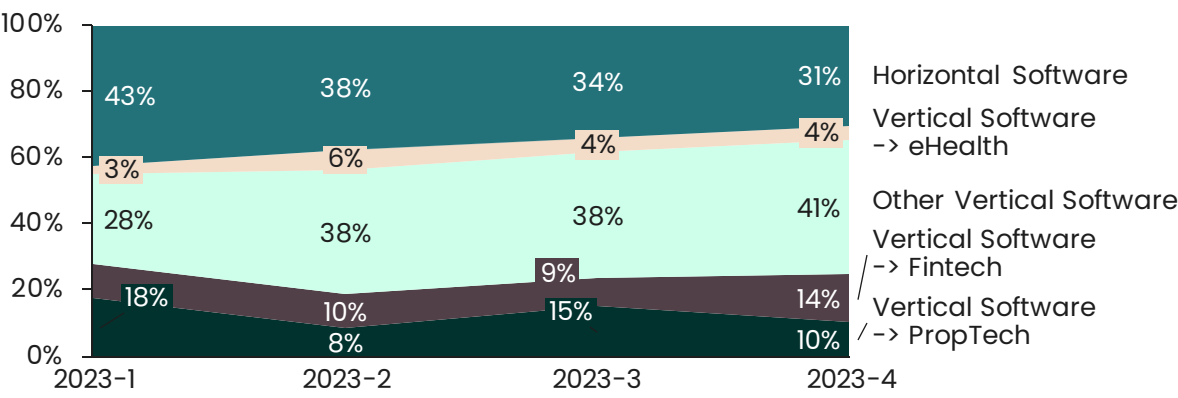
M&A transactions Nordic software targets



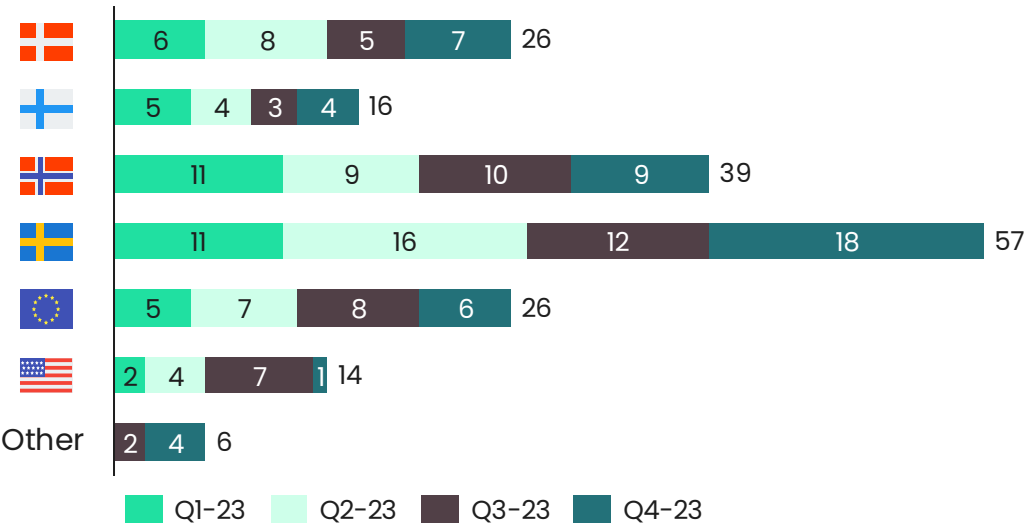
Key transactions this quarter

Target	Description	Buyer	Sales (MEUR)	Type
 HYPERGENE 	Financial planning Software	 THOMABRAVO 	30.0	PE
 MINTRA 	Maritim HCM and learning platform	 FERD 	26.8	PE
 dualog 	Maritime digitalization SaaS	 NYK LINE 	18.2	Add-on
 xamerra 	Data-driven recruitment partner	 HELIX Kapital 	17.3	PE
 Hantverksdata 	ERP Software	 IEQT 	14.4	PE

Transactions by Stratema-class

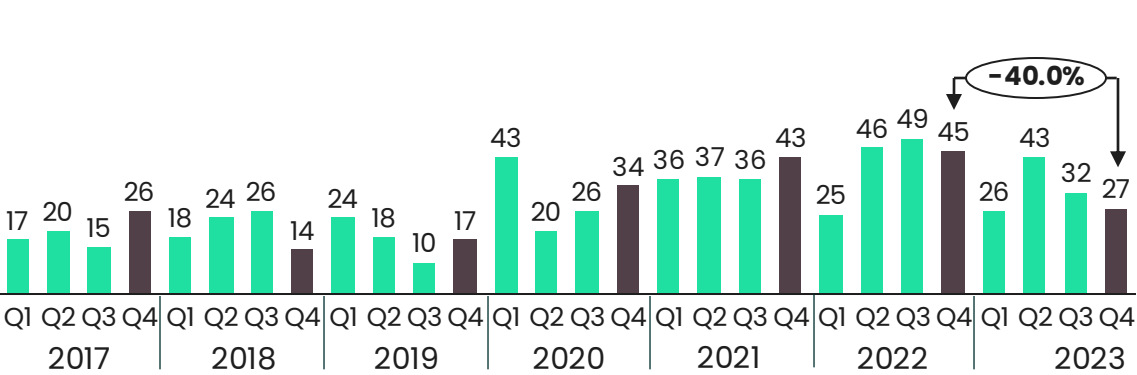


Nationality of buyers of Nordic targets LTM



Fall from previous quarters, although above pre-covid

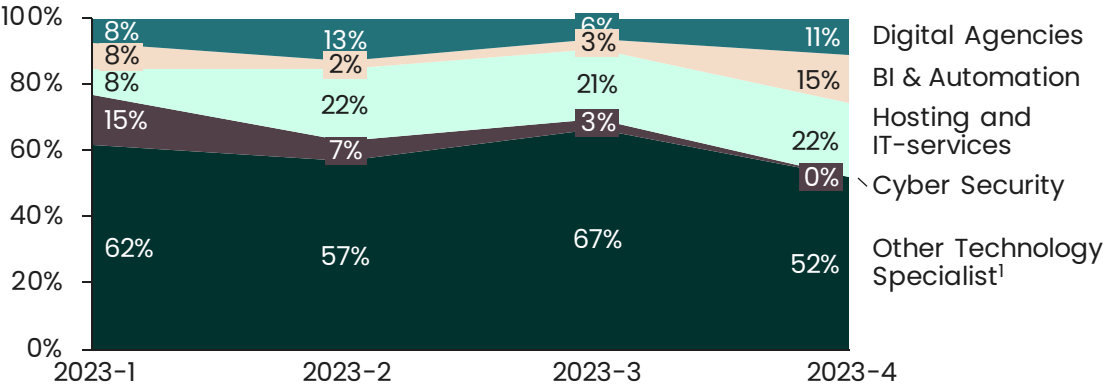
M&A transactions Nordic IT services & consulting targets



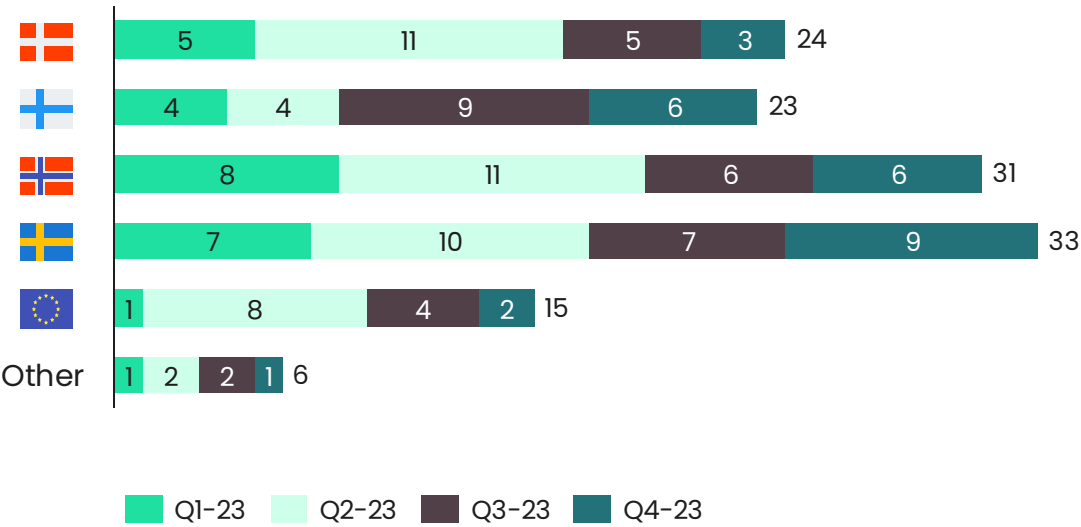
Key transactions this quarter

Target	Description	Buyer	Sales (MEUR)	Type
<div>rts</div>	IT Infrastructure and digitalization	<div>advania</div>	60.1	PE-backed
<div>SENTIA</div>	Cloud services development	<div>æeven</div>	55.9	Add-on
<div>QVIK</div>	Mobile applications and cloud services	<div>Bocap</div>	12.0	PE
<div>AGREAT</div>	Software Engineering	<div>BROVIKEN</div>	10.8	PE
<div>UTVECKLAR BÖLÅGET</div>	System development	<div>SOLID</div>	5.4	Add-on

Transactions by Stratema-class



Nationality of buyers of Nordic targets LTM

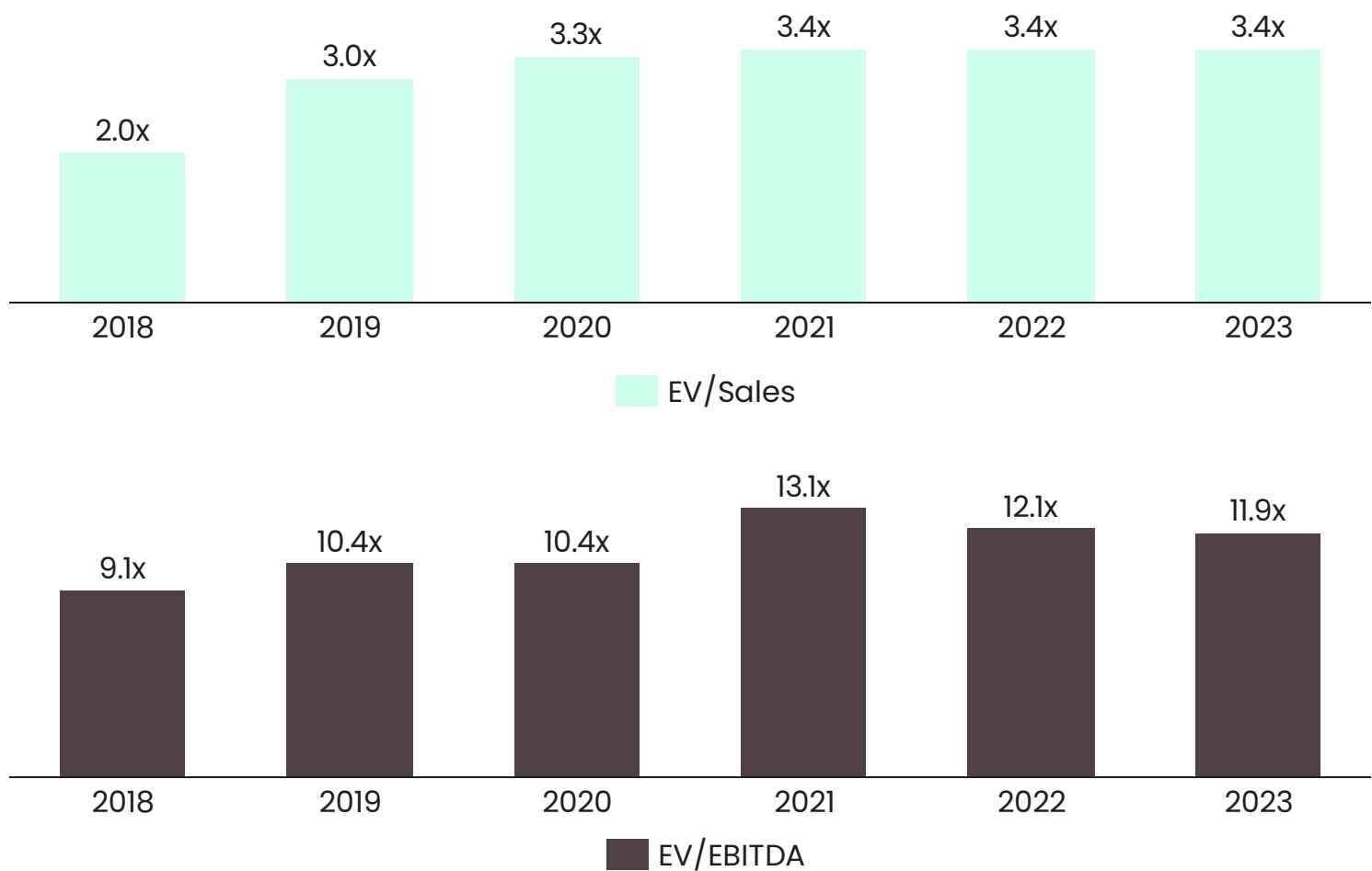


stratema.

Sources: Stratema Transaction Database
Note 1) Includes consulting firms specializing in various services such as ERP implementation, software development, digital strategy

Minor price fall for M&A private transactions

Price development Nordic private SaaS M&A transactions



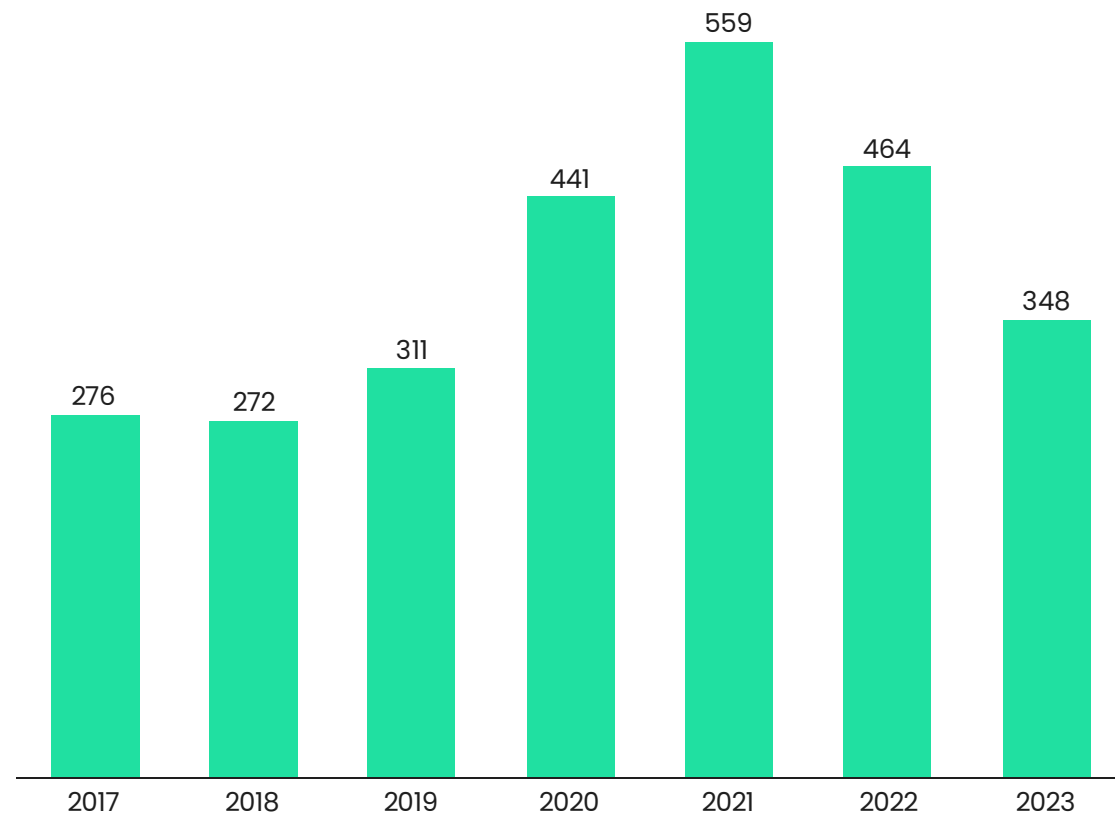
- Due to high uncertainties surrounding macroeconomic conditions, access to new capital and performance of targets, overall tech activity has been lower over the past 18 months compared to all time high.
- However, as a result of high focus on cash flow, stable revenue streams and large amounts of private equity dry powder from 2020-21, the competition for profitable SaaS remain high.
- As such, pricing for private Nordic SaaS companies have experienced smaller fluctuations, with little changes in EV/Sales, albeit a slight reduction in EV/EBITDA.
- Stratema previously interviewed several market participants regarding price expectations for the upcoming 6-12 months, with several noting that the competition for profitable SaaS will remain going forward.

Appendix

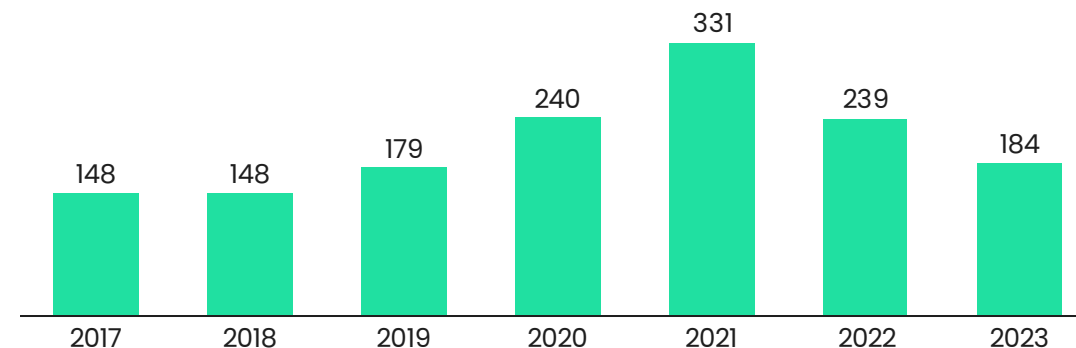
Full year basis

Significant activity compared to pre-covid

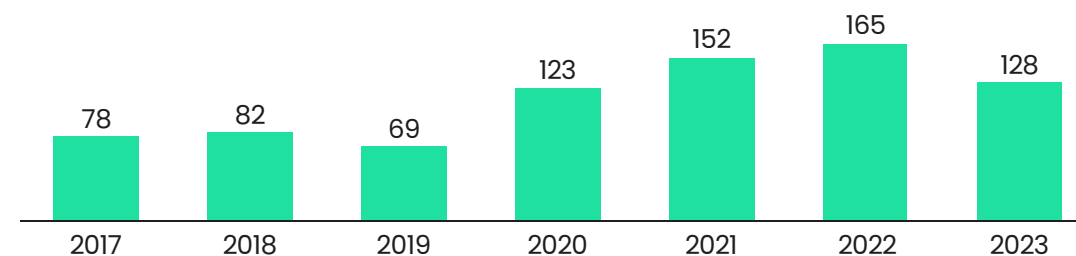
M&A transactions Nordic tech targets



M&A transactions Nordic software targets



M&A transactions Nordic IT services & consulting targets



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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