

Ashurst

SILVERPEAK

# Technology M&A Forum

Thursday 17 October 2024

Welcome

# Schedule

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- 1** Technology M&A and Fundraising Update  
Pietro Strada – Managing Partner, Silverpeak

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  - 2** Legal Tech M&A Trends  
Chris Grey – Tech M&A Partner, Ashurst

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  - 3** Panel Q&A  
Pietro Strada – Managing Partner, Silverpeak  
Jonathan Cohen – Global Co-head of Tech M&A, Ashurst  
Issam Abedin – Principal, Warburg Pincus  
Tallat Mahmood – Managing Director, Silverpeak
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# Technology M&A and Fundraising Update

Pietro Strada – Managing Partner at Silverpeak





# Technology M&A and Fundraising Update Q3 2024

17 OCTOBER 2024

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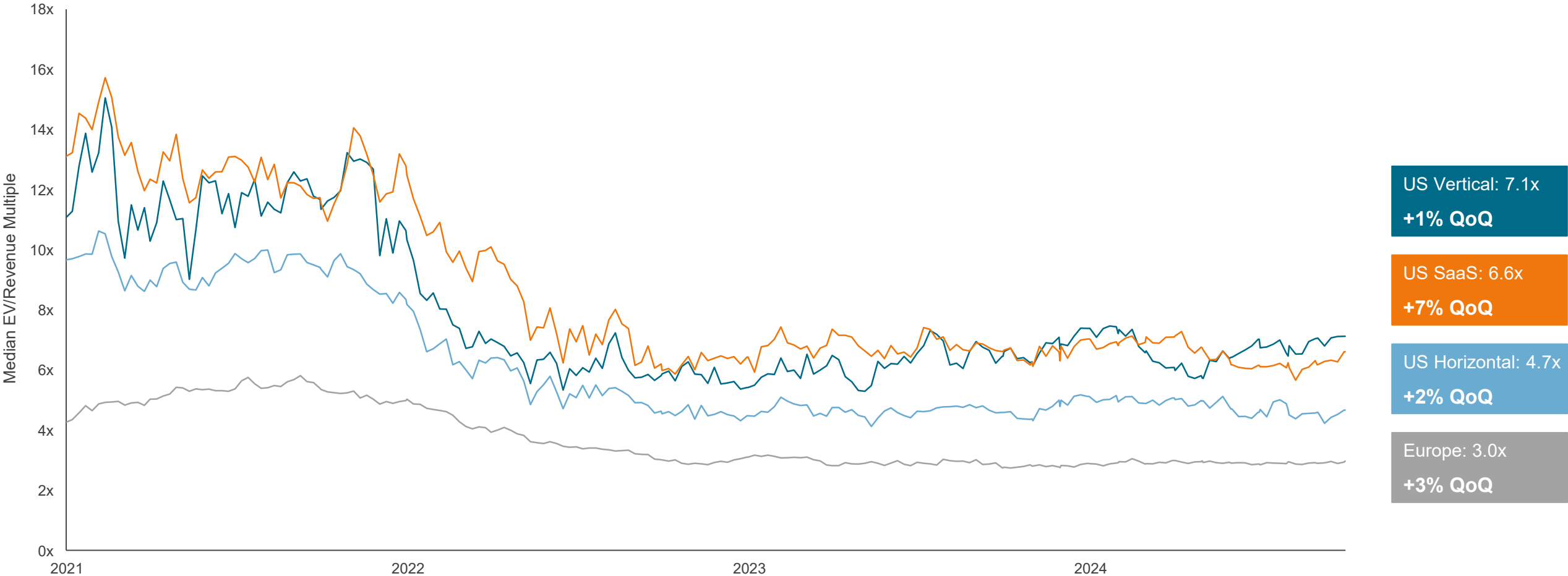


SECTION 1

# Europe & NA Software Public Valuation Trends

# Public SaaS valuations are in a “new normal” with EV/R multiples 3-7x across various segments...

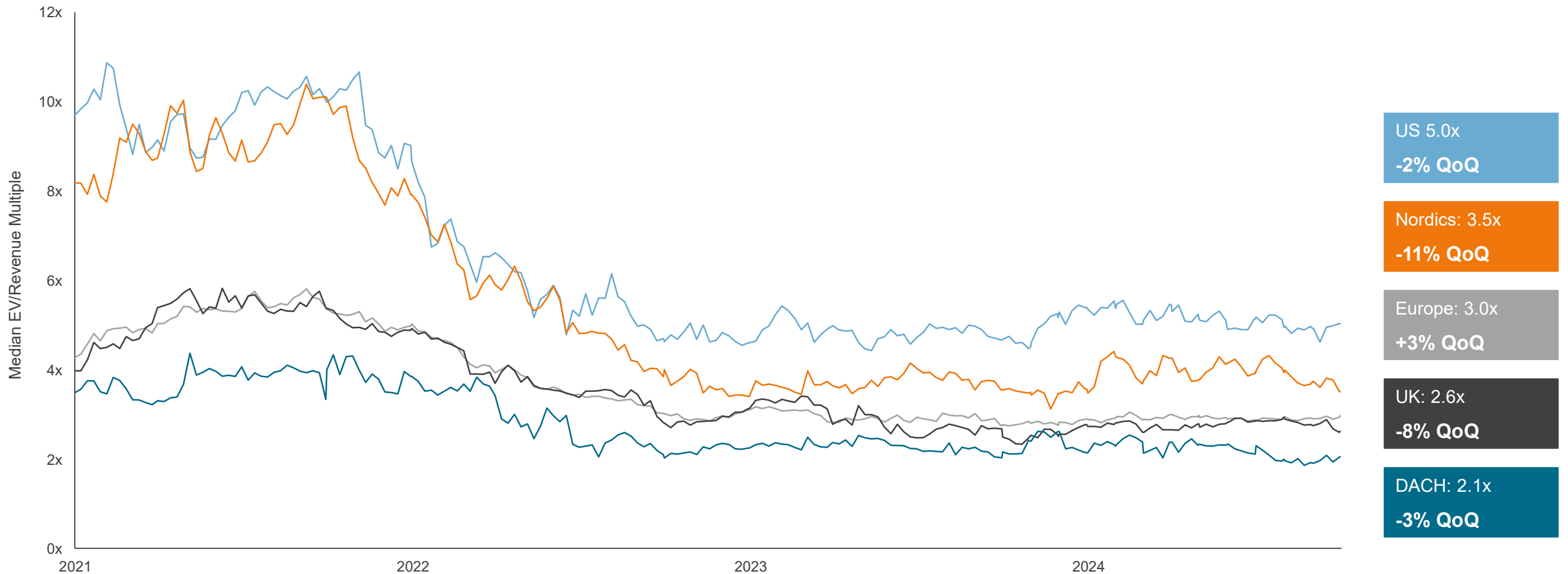
SOFTWARE CATEGORY VALUATION METRICS: MEDIAN EV / REVENUE MULTIPLES 2021- Q3 24



# ...and geographies

US public companies trade at a premium to other regions with median EV/R = 5x

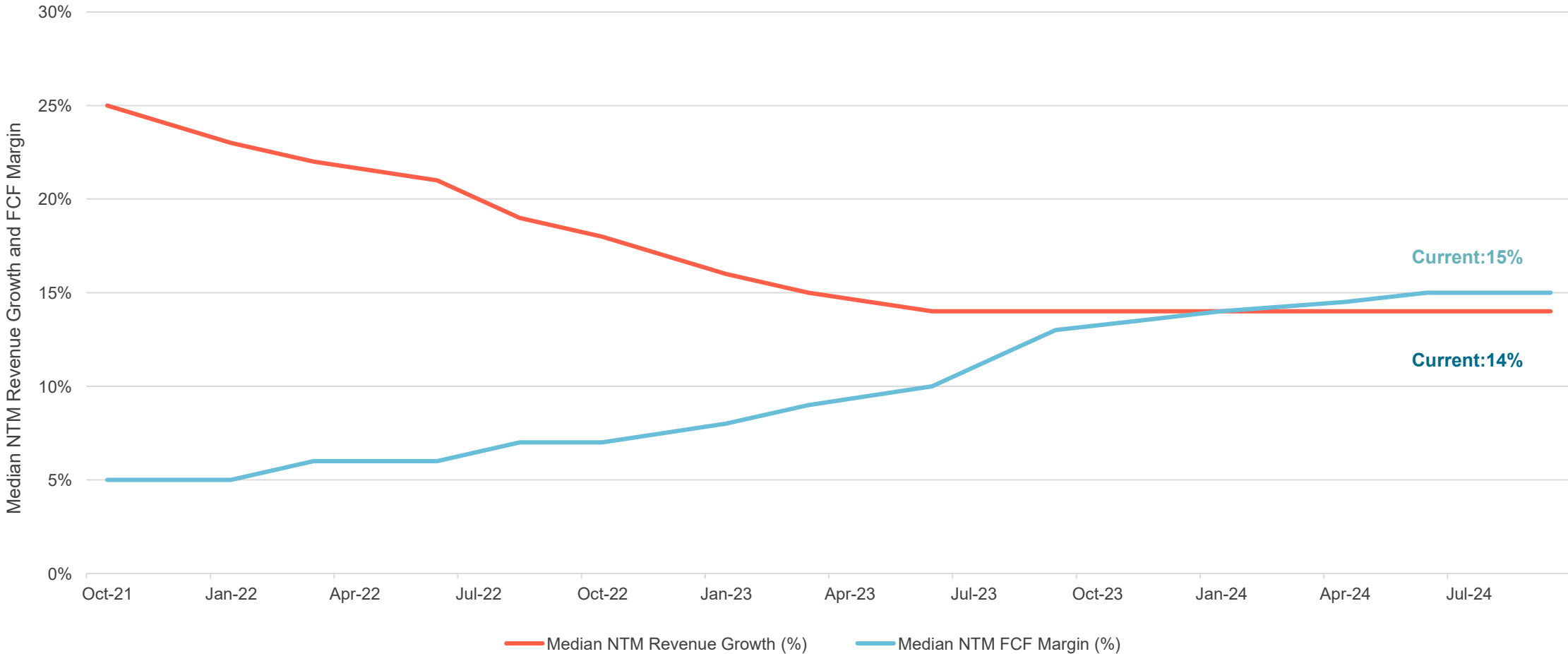
REGIONAL US & EUROPEAN VALUATION METRICS: MEDIAN EV / REVENUE MULTIPLES 2021 – Q3 24





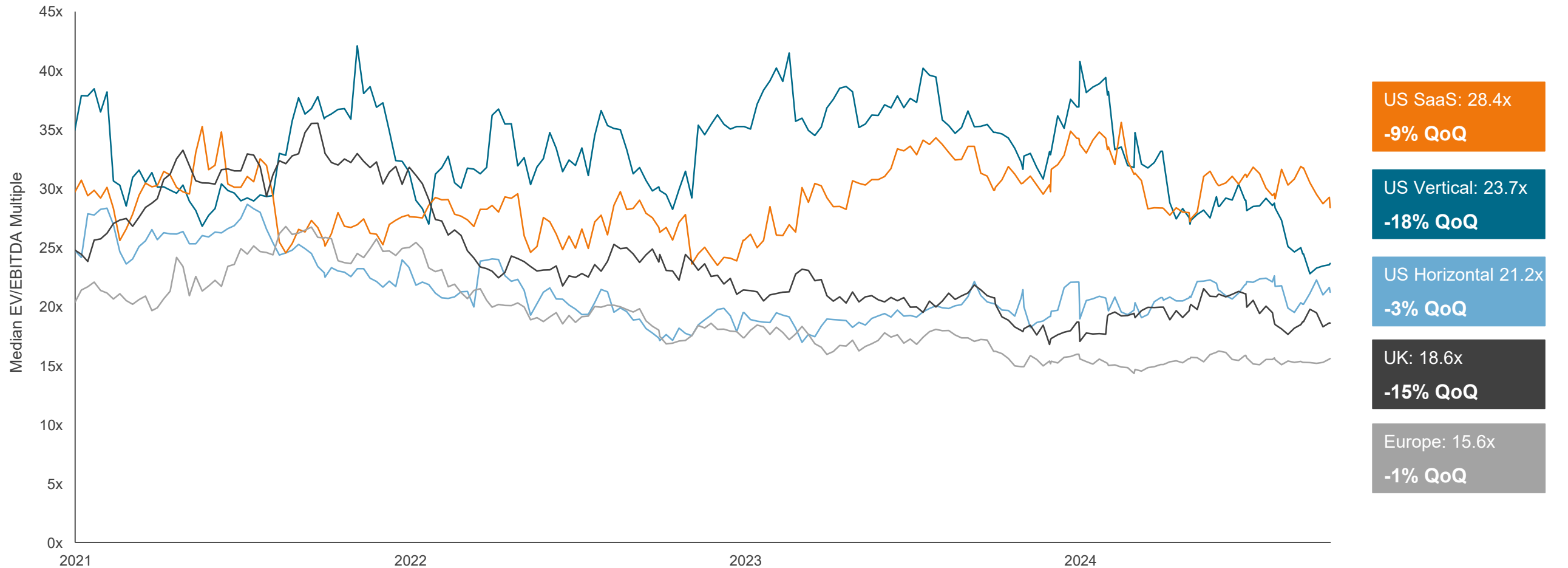
# The new mantra for SaaS companies is profitable growth: “Rule of 40”

NTM REVENUE GROWTH AND NTM FREE CASH FLOW MARGIN



# EV/EBITDA declined in Q3 over Q2 across all categories

SOFTWARE CATEGORY VALUATION METRICS: MEDIAN EV / EBITDA MULTIPLES 2021- Q3 24



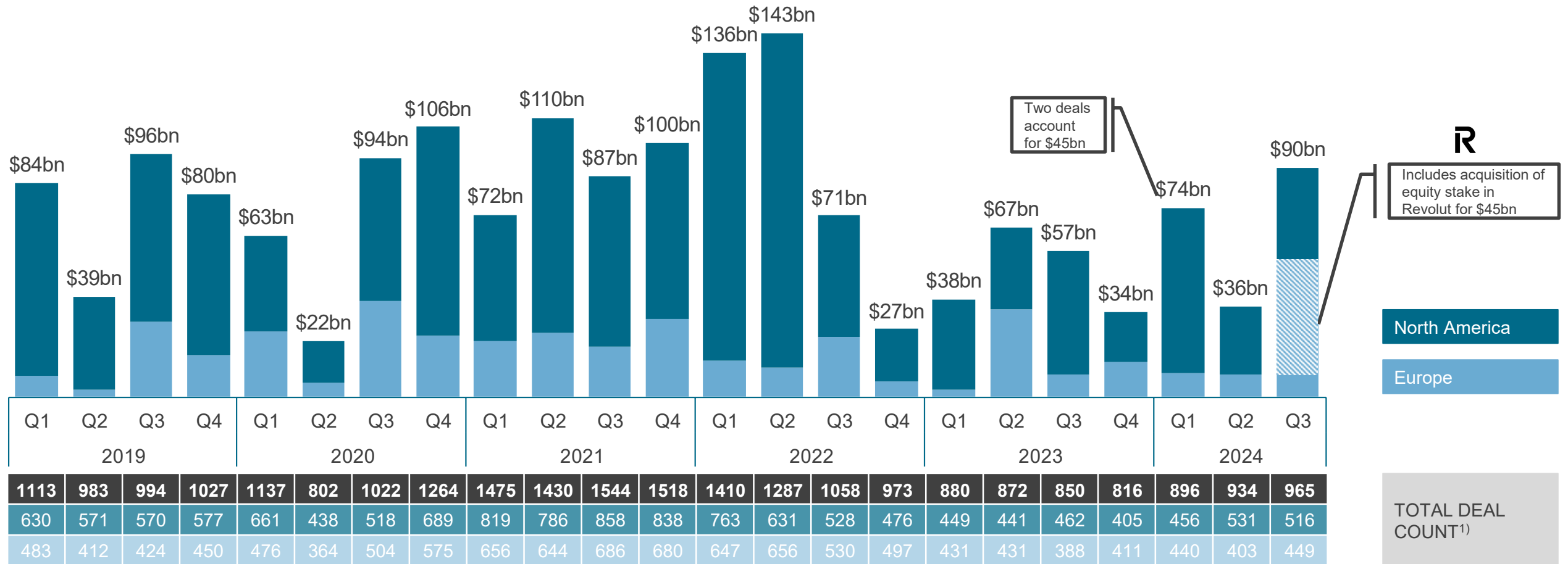
SECTION 2

# Europe & NA M&A Trends



# Q3-24 shows total deal count of this year, with total deal volume driven by deals over \$1bn

SOFTWARE M&A DEAL VALUE AND COUNT BY REGION, 2019 – 2024

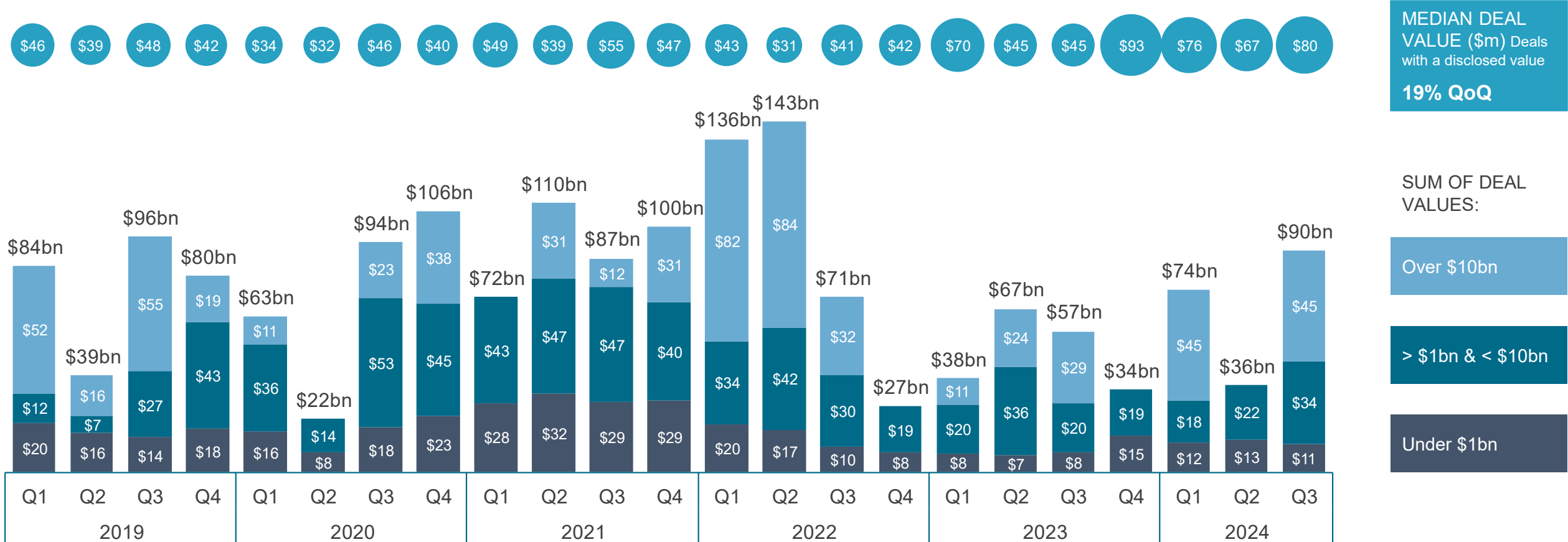


<sup>1)</sup> Number of deals, including deals without disclosed value

Source: CapIQ, Pitchbook. Only deals greater than \$5m shown here. \$ values shown are implied EV. Data as of 14/10/2024

# The aggregate value for deals below \$1bn has remained flat in the past four quarters, while deals between \$1bn-\$10bn have steadily increased

SOFTWARE M&A DEAL VALUES BY SIZE, 2019 – 2024



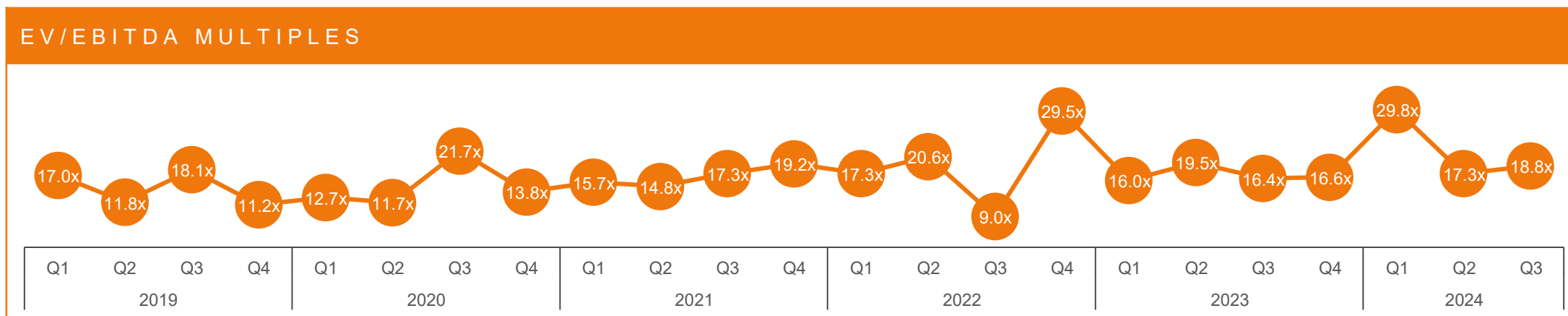
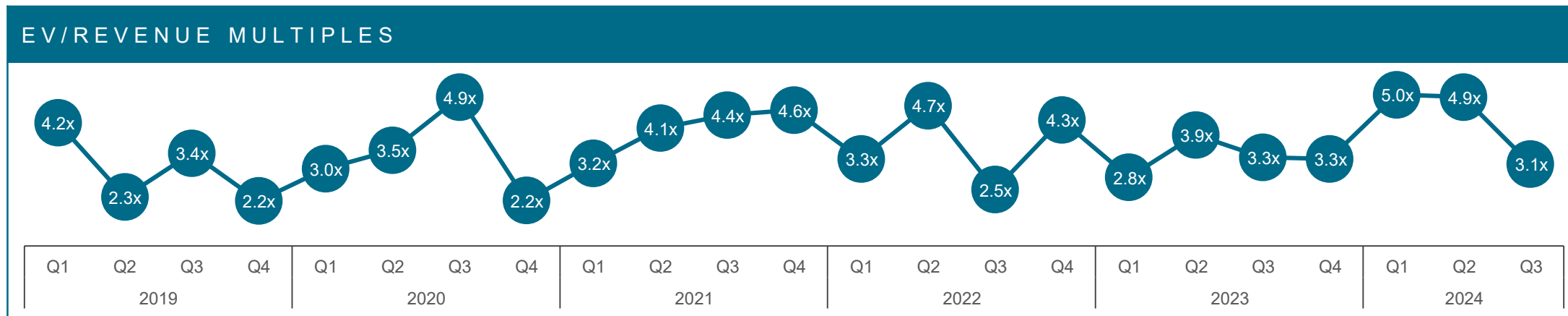
MEDIAN DEAL VALUE (\$m) Deals with a disclosed value  
**19% QoQ**

SUM OF DEAL VALUES:

- Over \$10bn
- > \$1bn & < \$10bn
- Under \$1bn

# EV/Revenue is at the lowest levels since Q1-23 while EV/EBITDA multiples have remained flat QoQ

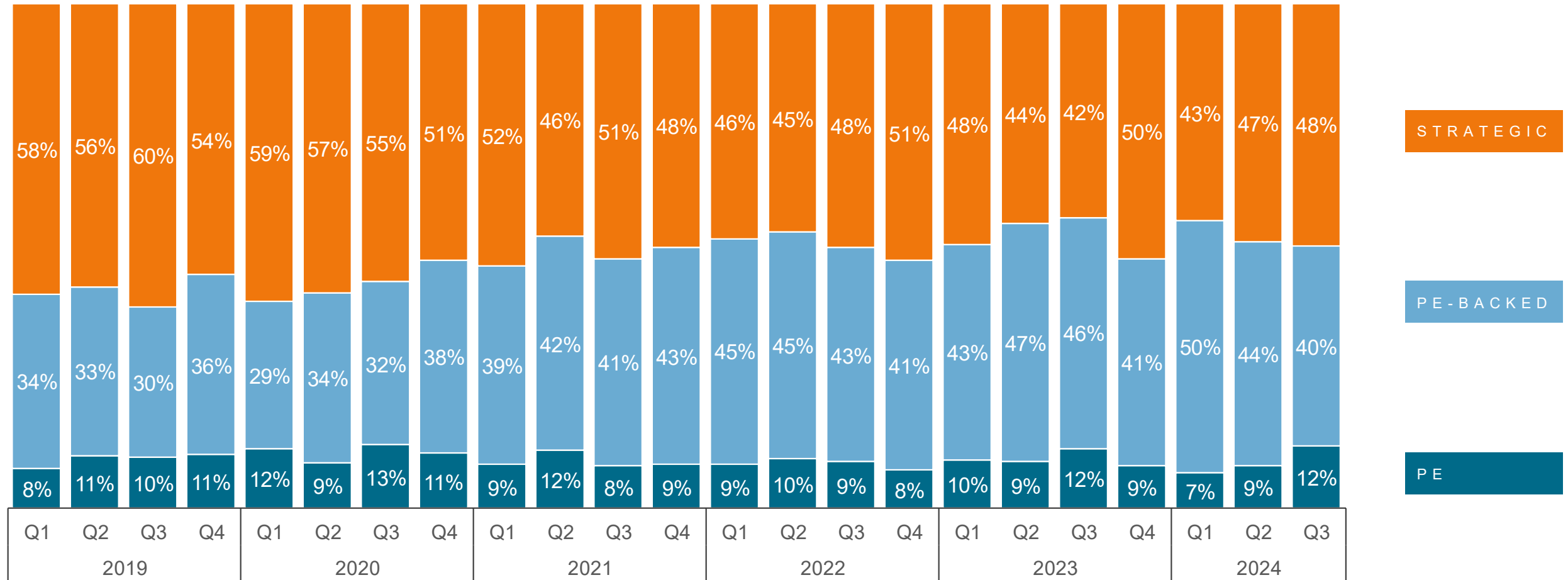
MEDIAN VALUATION MULTIPLES FOR M&A DEALS, 2019 – 2024





# The long-term trend of PE involvement continues, as platform investments reach the highest level in the past year

DEAL COUNT BY BUYER TYPE: STRATEGIC, PE OR PE-BACKED DEALS





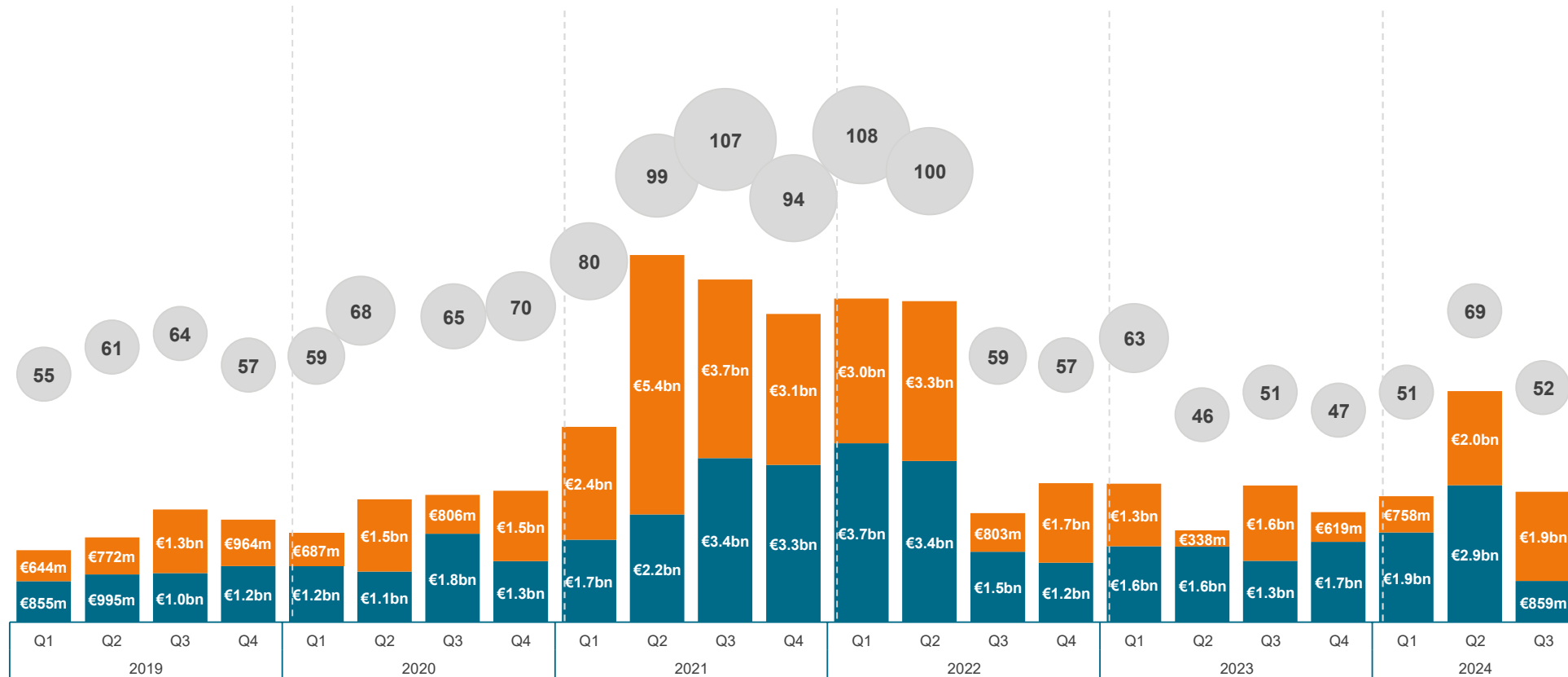
SECTION 3

# European venture growth investment trends



# Series B funding was low in Q3, whilst investment in series C was sustained

SERIES B&C TOTAL FINANCING AMOUNTS, Q1 2019 – Q3 2024



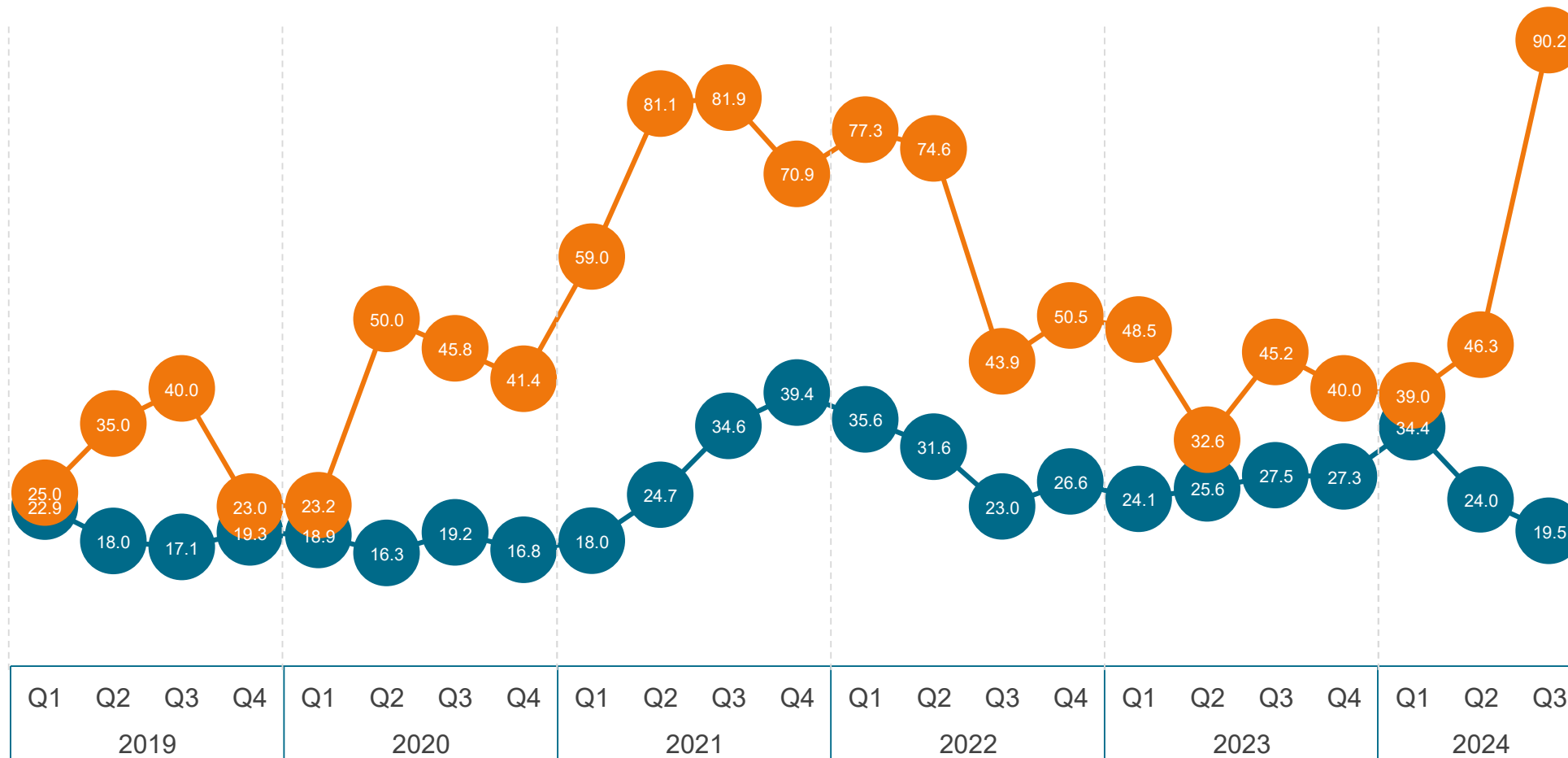
Q3 2024 vs. 2023 AVERAGE

SERIES B & C DEAL COUNT	0%
SERIES C CAPITAL INVESTED	+94%
SERIES B CAPITAL INVESTED	-44%



# Median deal values for Series B are steadily declining, while Series C rounds are increasing sharply in Q3 2024

SERIES B&C ROUNDS, MEDIAN DEAL VALUES (€M), Q1 2019 – Q3 2024



**Outlier Series C deals valued at over > €250m each**



Helsing

€450m  
Jul-24



Isar aerospace

€259m  
Jul-24

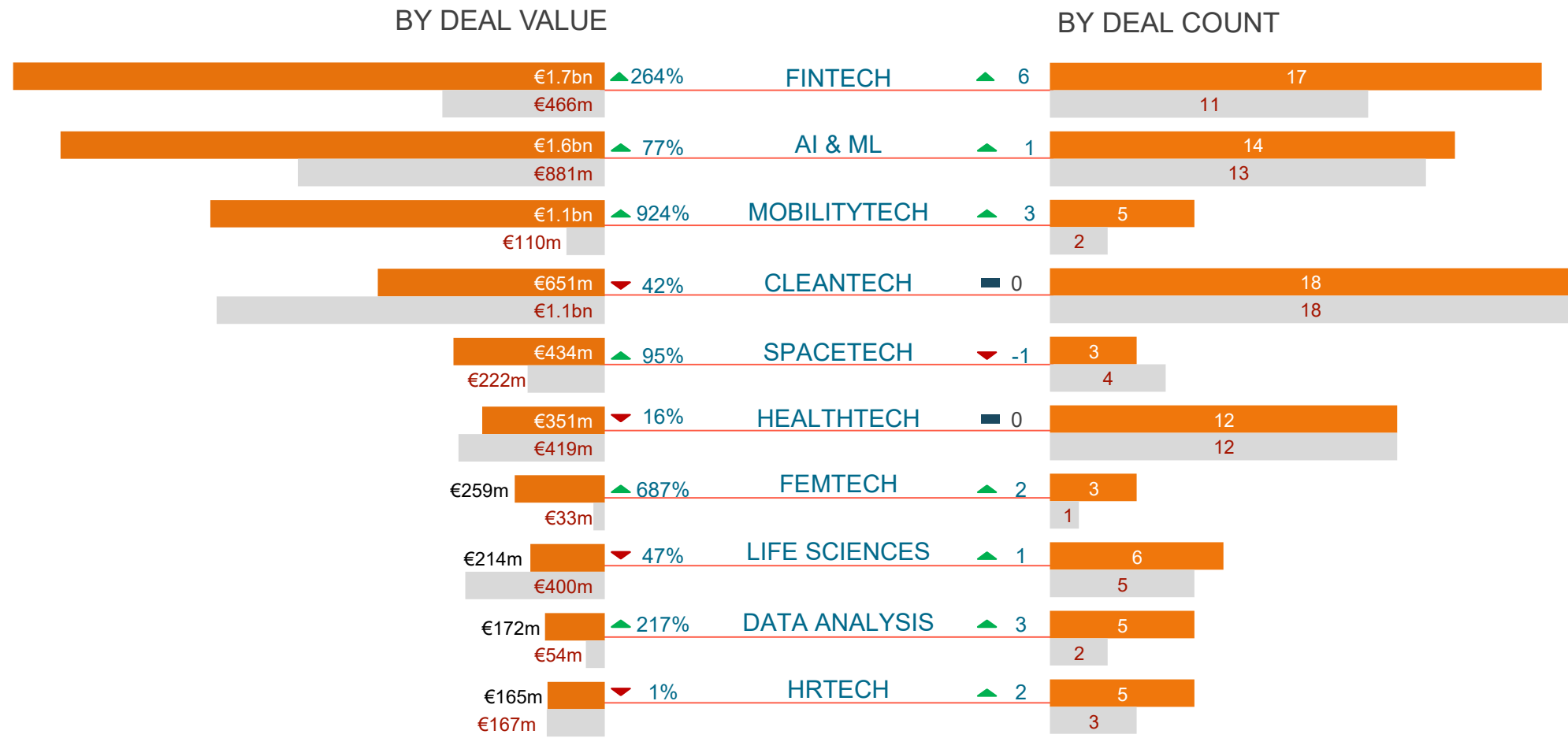
**SERIES C**    QoQ +95%

**SERIES B**    QoQ -19%

# AI continues to dominate in deal value, and Fintech is making a strong comeback, while Cleantech experiences a decline but maintains its deal volume

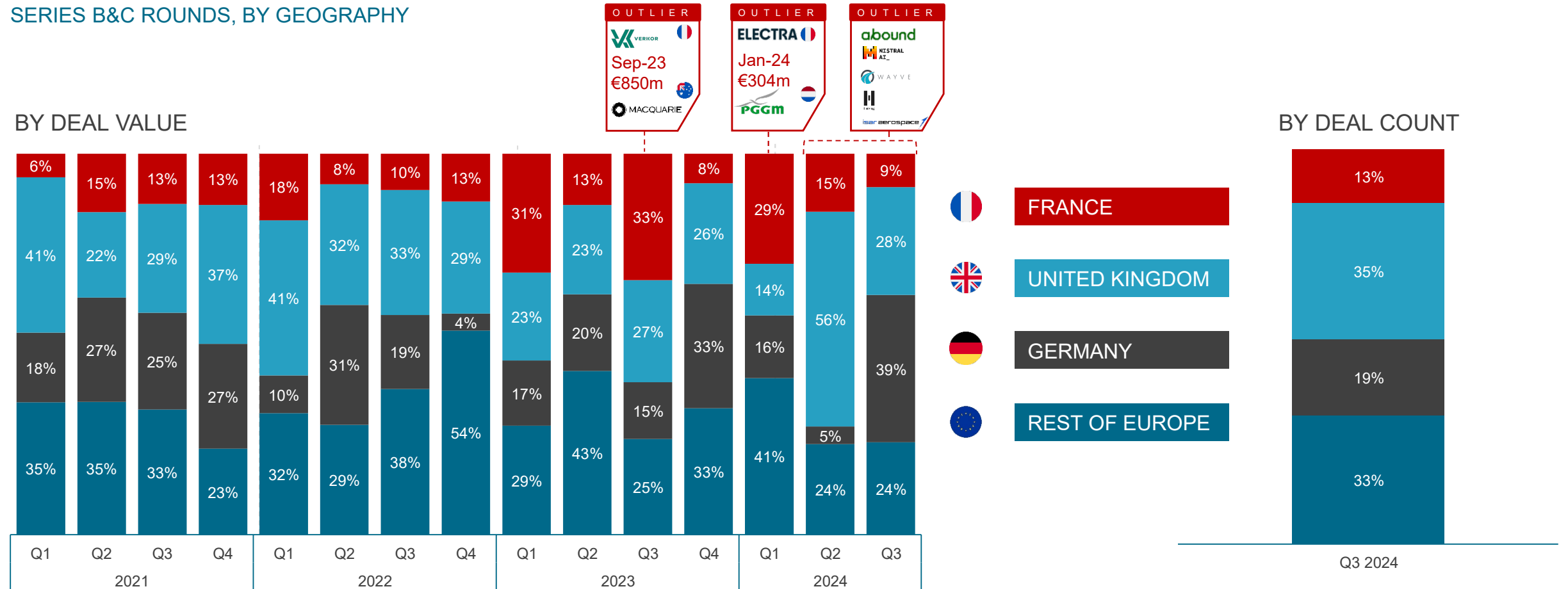
## SERIES B&C ROUNDS, BY VERTICAL

Q2 2024 & Q3 2024  
Q4 2023 & Q1 2024



# Germany experiences a surge in deal value, attributable to Series C mega-rounds for Q3 2024, overtaking France and the UK

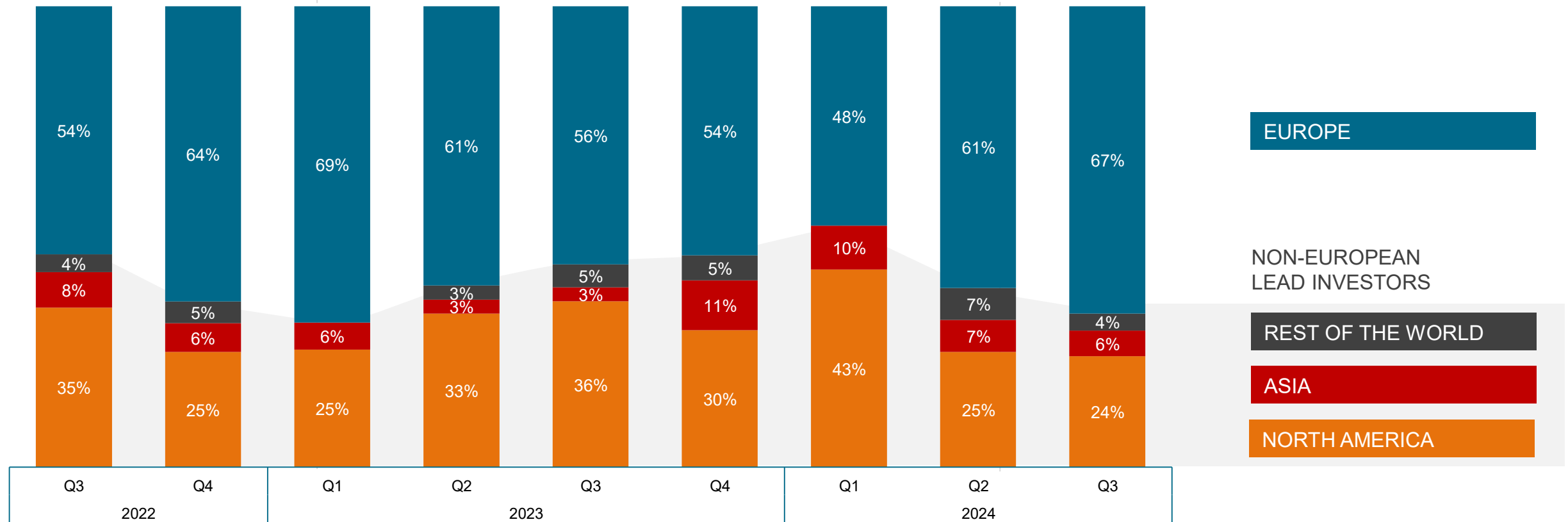
SERIES B&C ROUNDS, BY GEOGRAPHY





# Non-European investors have been less active in leading deals on the continent since the second quarter of 2024

GEOGRAPHIC DISTRIBUTION OF LEAD INVESTORS FOR SERIES B&C ROUNDS (BY DEAL COUNT) Q3 2022 – Q3 2024

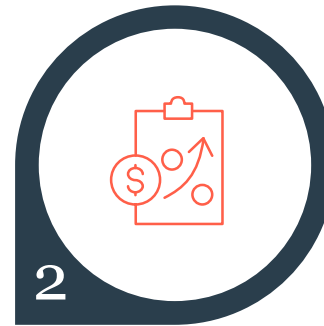


# Tech M&A Legal Trends in 2024 (so far)

Chris Grey, Tech M&A Partner at Ashurst

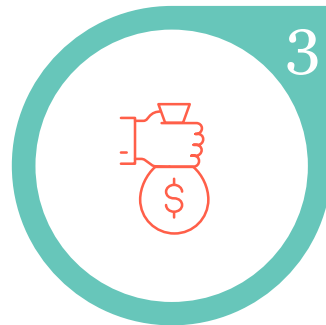
# Fundraising Trends

**‘Green shoots’**



**Generally stable  
fundraising terms**

**Unpriced rounds and  
the increased use of  
convertible debt**



**Structured terms,  
minimum returns,  
PIK coupons**

# M&A Trends

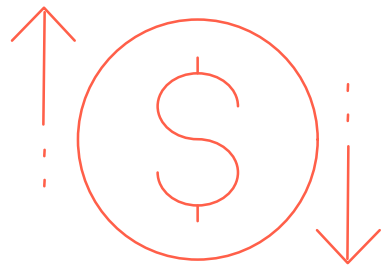
- A lot of pre-sale and pre-IPO preparation work
- Bridging valuation gaps
  - Market dynamics
  - Tools for bridging valuation gaps
    - Roll-over / reinvestment
    - Earn-outs and deferred consideration
    - Revenue sharing
    - Anti-embarrassment
    - Vendor loans
- Advanced technology and FDI regulations



# Investment Themes


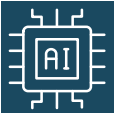



## Increased Tech M&A activity

- Corporate Venture Capital and M&A
- Restructurings
- Private Equity
- Growth Investors

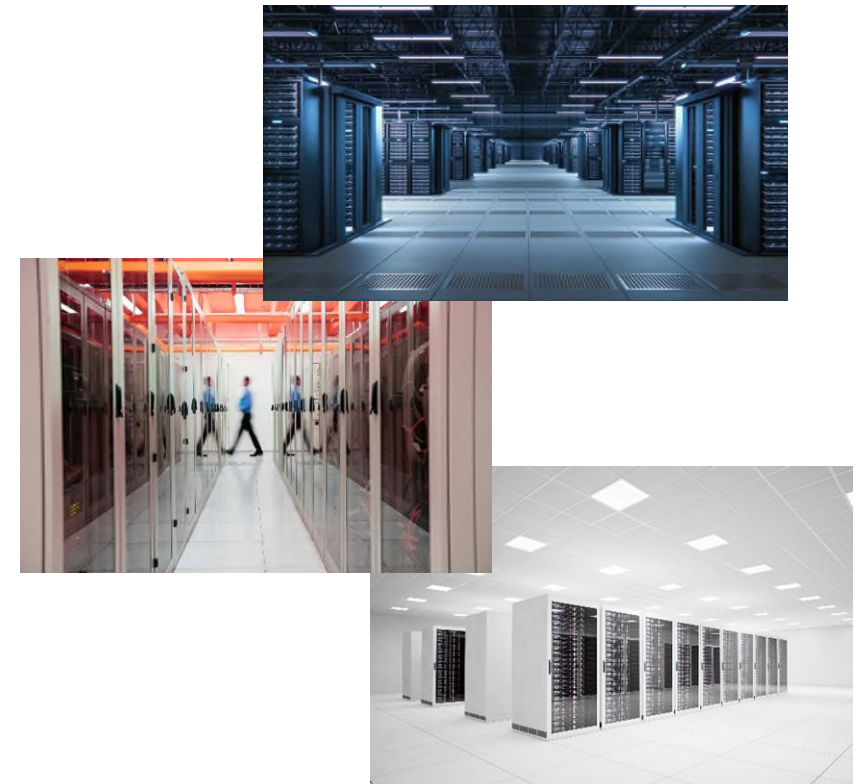


## UK specific themes

### KEY AREAS OF INTEREST

	Software
	New Generation AI
	FinTech
	HealthTech
	Green/EnergyTech businesses

## Data Centres



**Ashurst**

# Panel Q&A

Close

Thank you for joining us!



**Jonathan Cohen**

Co-head of Tech M&A

Ashurst



**Pietro Strada**

Managing Partner

Silverpeak



**Chris Grey**

Tech M&A Partner

Ashurst



**Tallat Mahmood**

Managing Director

Silverpeak



**Issam Abedin**

Principal – Technology

Warburg Pincus



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