

SOFTWARE M&A REPORT 2024

A steady M&A market rewarding profitability in mid-market transactions

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Welcome to the latest edition of the Silverpeak Software M&A report, a biannual review of European and North American deal activity within the software sector.

Our dataset includes over 25,000 software M&A transactions from 2019 to 2024 and combines data from Capital IQ and Pitchbook.

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The software M&A market in 2024 remained subdued, with activity only marginally above 2023 levels. High quality companies attracted interest from discerning buyers, who shifted their focus from growth to profitability. North American buyers had a lower share of the European software acquisitions by volume, but a higher share by value. This cautious environment reflects a market actively looking for quality deals but grappling with macroeconomic uncertainties.

PIETRO STRADA
MANAGING PARTNER, SILVERPEAK

KEY FINDINGS

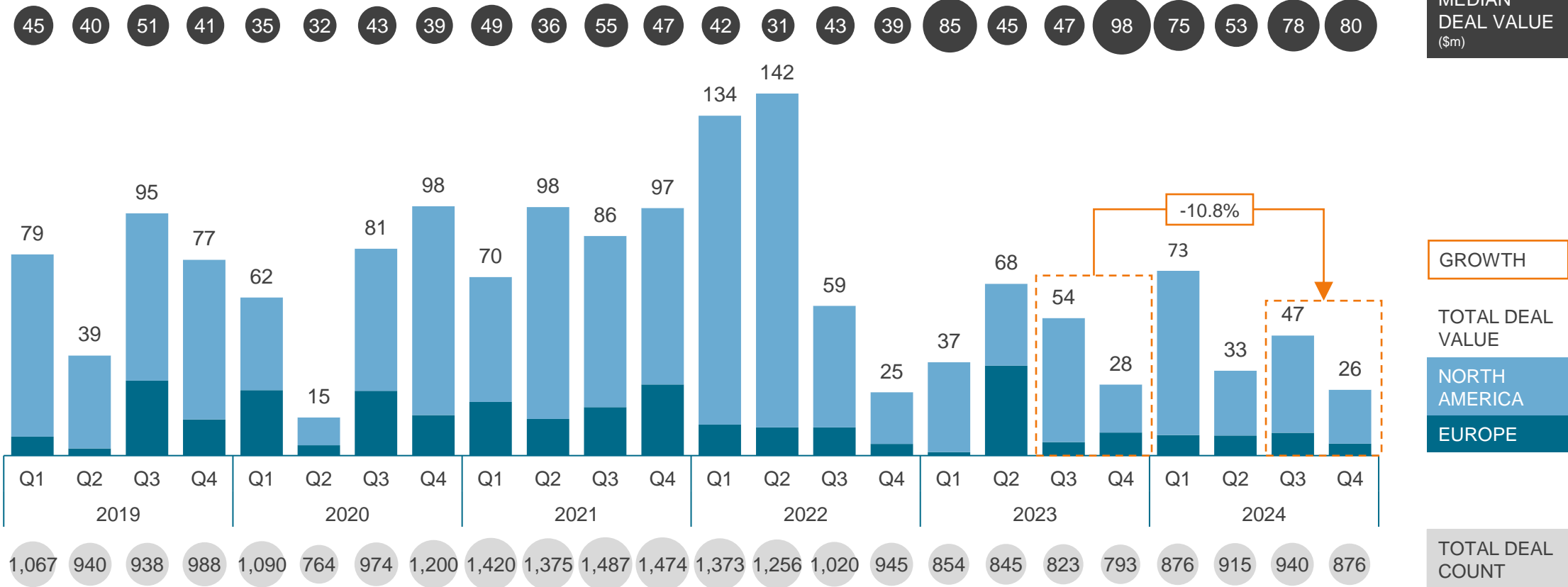
- There was some early hope that deal activity may increase during 2024. However, the data shows that 2024 has remained relatively on par with 2023, both in terms of deal volume and valuations.
- Valuation multiples show an increased focus on EBITDA as investors are targeting profitability over growth, with the <\$1bn North American and European markets, ranging between 14x-17x.
- The two of the largest deals in 2024 in our dataset (Ansys & Altair) focus on AI-adjacent verticals as large strategics continue to try to gain a competitive advantage in this space.
- Three of the five largest deals in North America and Europe were take-private transactions, signalling that public ownership remains less attractive than private ownership.

DEAL METRICS FOR 2024

Median deal value	\$75m
Median EV/EBITDA	16.5x
Median EV/Rev	3.2x
Deal count	3,607

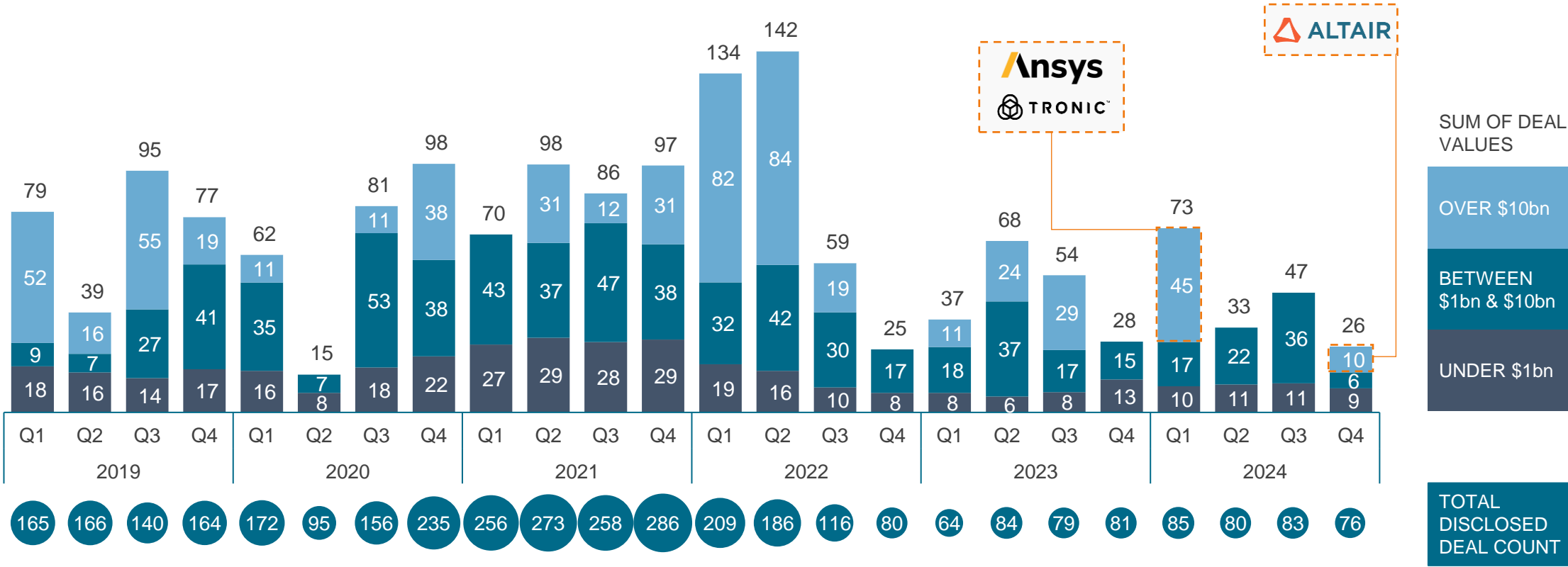
Total deal value decreased in H2 2024, whilst a rising median deal size indicates investors are focusing on more valuable assets

M&A DEAL VALUE AND COUNT BY REGION, 2019 – 2024
(in \$bn, unless stated otherwise)



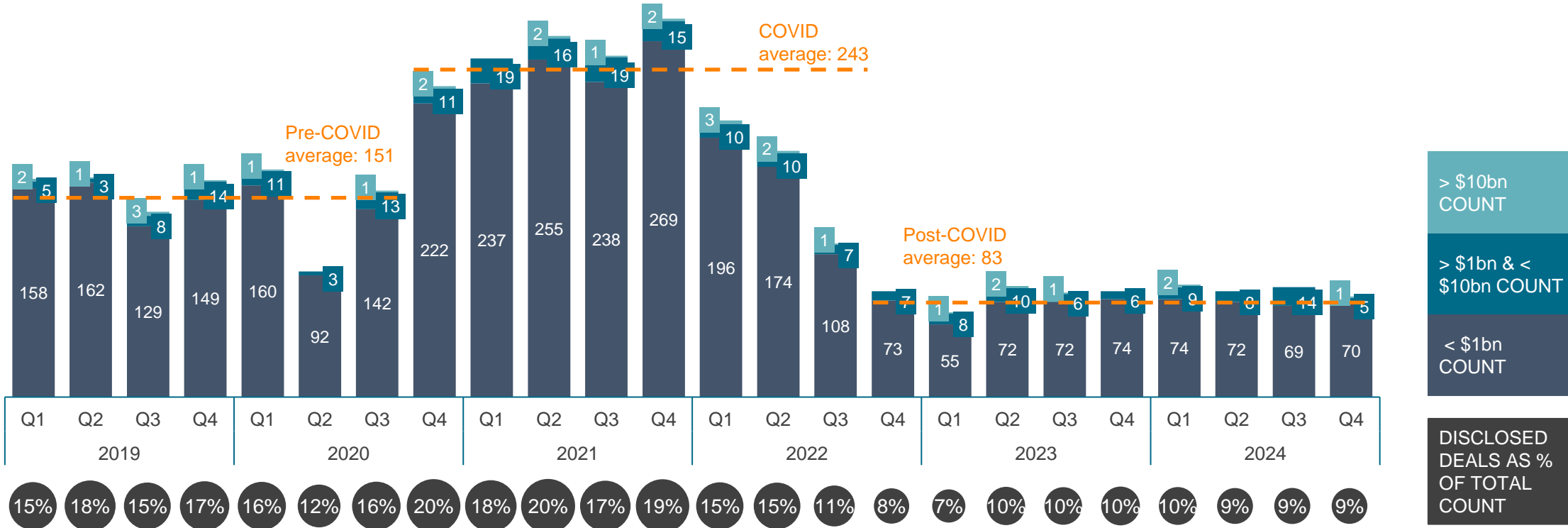
The aggregate value of deals under \$1bn increased slightly in 2024

M&A DEAL VALUES BY SIZE, 2019 – 2024
(in \$bn, unless stated otherwise)



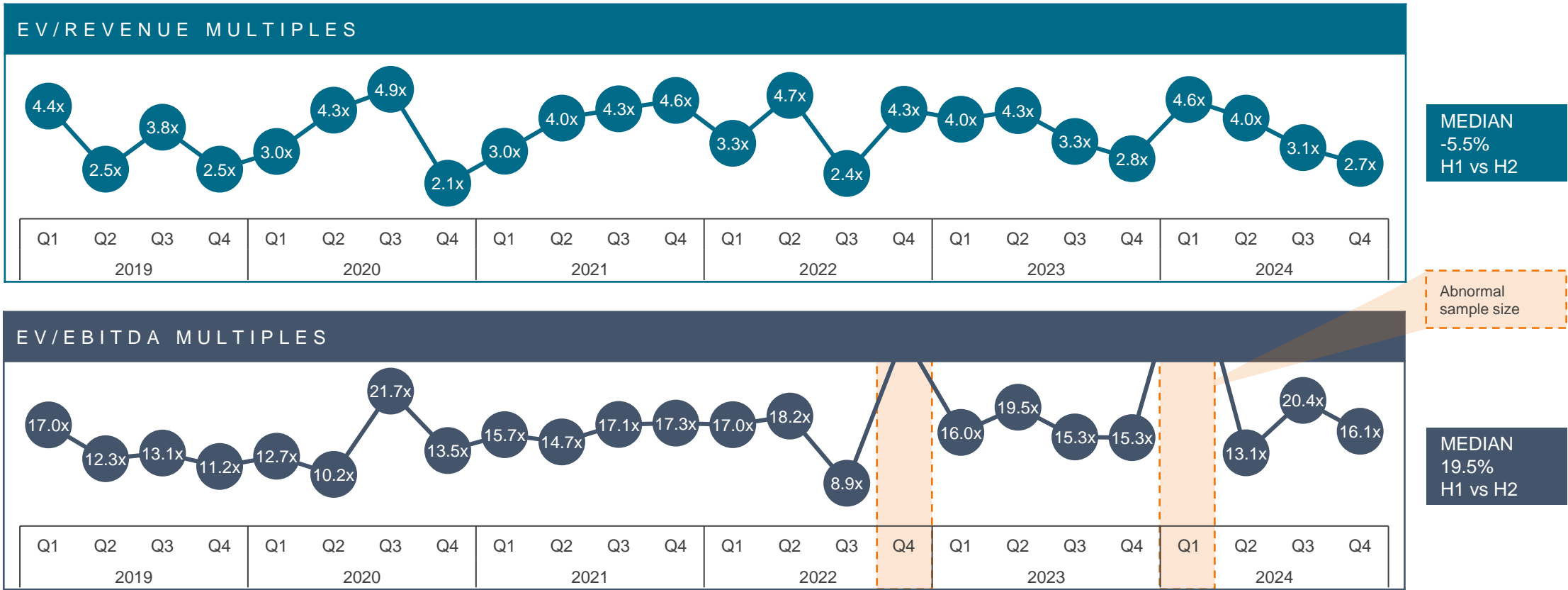
The number of deals with disclosed values was stable in 2024, and remained below pre-COVID levels

COUNT OF SOFTWARE M&A DEALS WITH DISCLOSED VALUES, 2019 – 2024



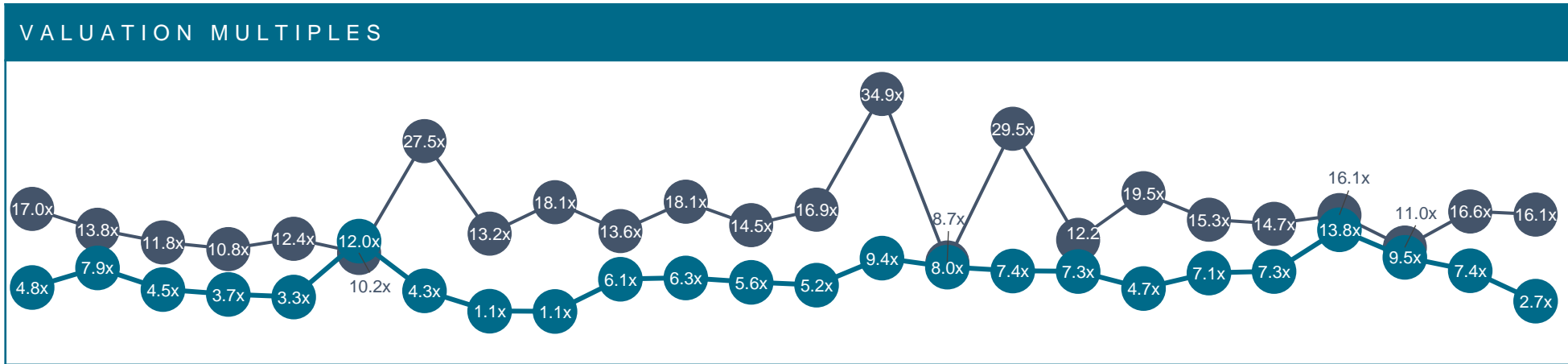
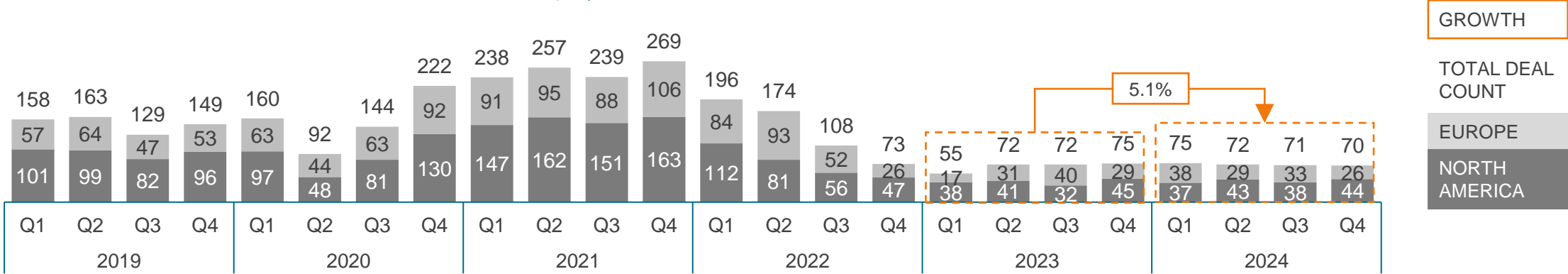
In all deals that disclosed both EV/R and EV/EBITDA ratios, EV/EBITDA appeared the more stable and significant metric, while median EV/R decreased

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



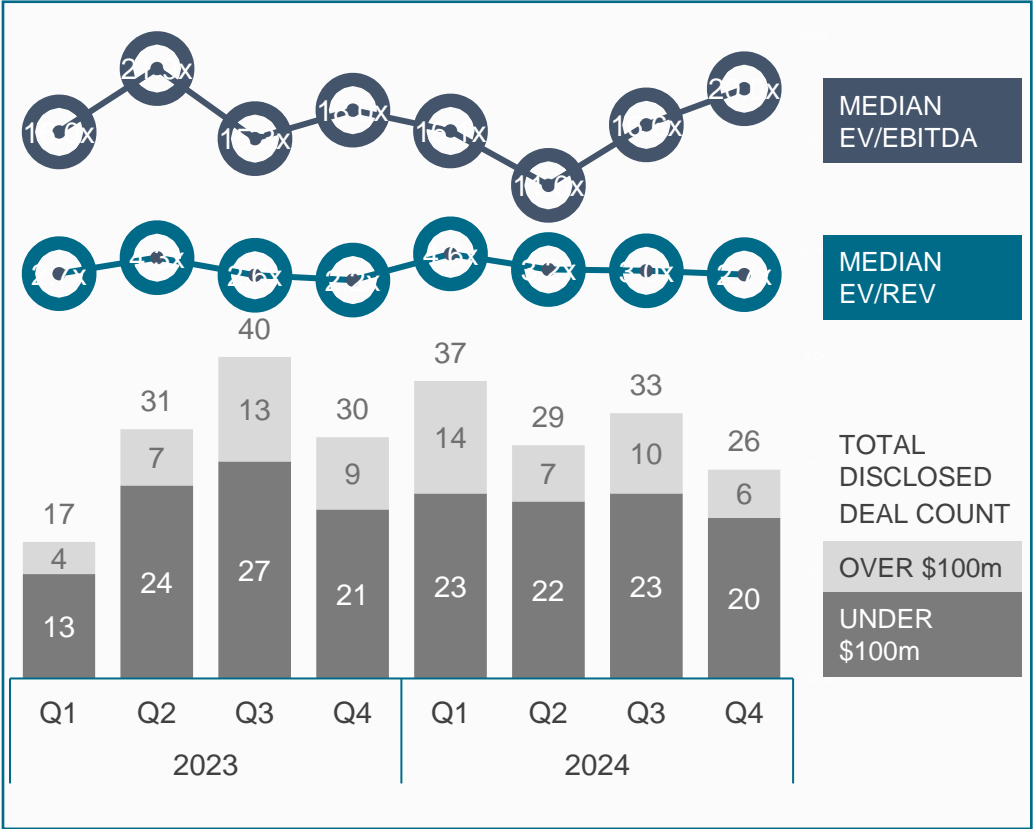
Focusing on the <\$1bn market, median EBITDA multiples from 2023 to 2024 frequently ranged between 14x-17x

MULTIPLES AND NUMBER OF ALL M&A DEALS UNDER \$1b, 2019 – 2024



There were 37 disclosed European software M&A deals valued between \$100m-\$1bn in 2024

EUROPEAN MULTIPLES AND COUNT OF M&A DEALS UNDER \$1bn, 2019 – 2024



SELECT EUROPEAN M&A DEALS UNDER \$1bn, 2024

<p>Acquired by:</p> <p>\$548m EV 4.0x EV/Rev 37.9x EV/EBITDA</p>	<p>Acquired by:</p> <p>\$377m EV 6.7x EV/Rev 100.2x EV/EBITDA</p>
<p>Acquired by:</p> <p>\$347m EV 4.6x EV/Rev 16.1x EV/EBITDA</p>	<p>Acquired by:</p> <p>\$273m EV 9.1x EV/Rev 35.2x EV/EBITDA</p>

60% of the largest deals were take-private, with several having private equity buyers

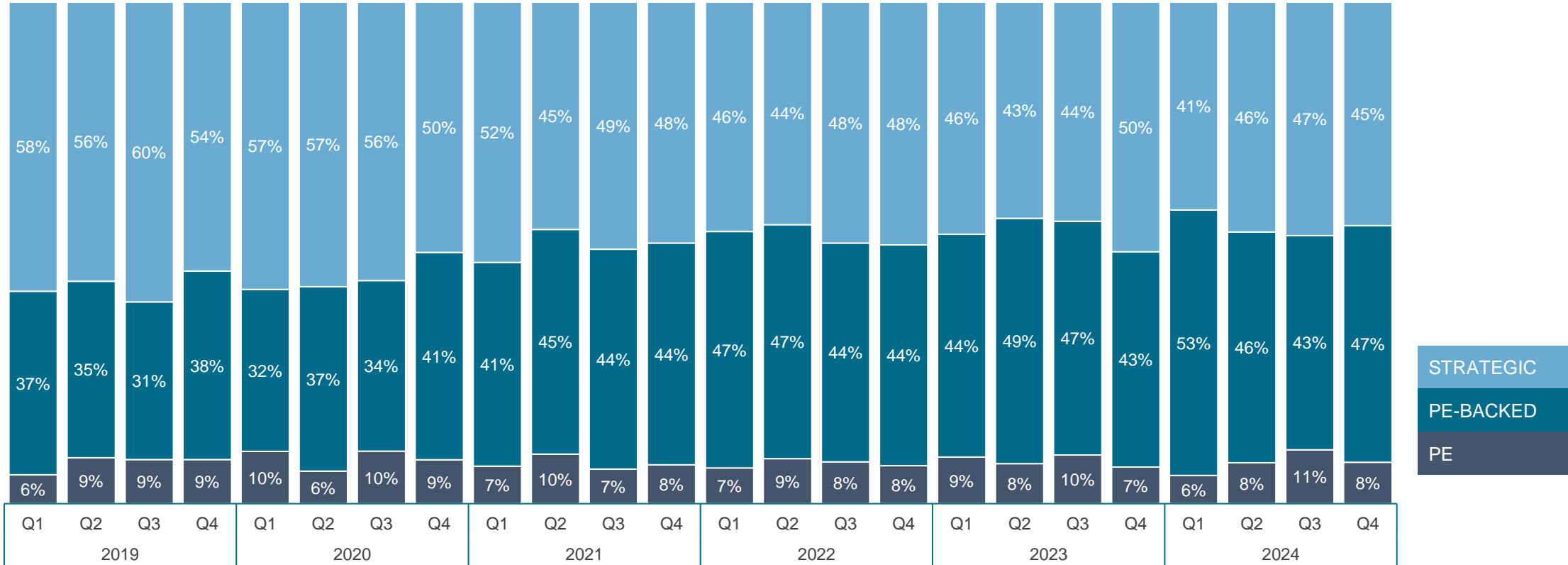
LARGEST M&A DEALS IN H2 2024 BY GEOGRAPHY

	DATE	DEAL SIZE	EV/REV	TARGET	HQ	SECTOR	ACQUIRER
TOP 5 DEALS IN NORTH AMERICA	30-Oct	\$10,148m	15.7x	ALTAIR		IT cloud software	SIEMENS
	24-Sep	\$7,703m	7.4x	smartsheet		Work management platform	VISTA Blackstone
	05-Nov	\$4,727m	7.9x	INSTRUCTURE		EdTech software	KKR DRAGONAIR
	25-Jul	\$4,286m	3.3x	INVESTNET		Fintech software	FRANKLIN TEMPLETON BlackRock
	11-Jul	\$2,650m	N/A	Recorded Future		Cybersecurity software	mastercard

	DATE	DEAL SIZE	EV/REV	TARGET	HQ	SECTOR	ACQUIRER
TOP 5 DEALS IN EUROPE	17-Sep	\$2,370m	2.4x	<i>SNAITECH</i>		Betting software	Flutter
	19-Sep	\$1,620m	7.7x	ESKER		Cashflow management software	GENERAL ATLANTIC Bridgepoint
	19-Dec	\$1,316m	2.0x	Crayon		Asset management software	one
	14-Nov	\$1,200m	N/A	Easybrain		Gaming software	MINICLIP
	19-Jul	\$1,022m	N/A	<i>Teads</i>		Productivity software	outbrain

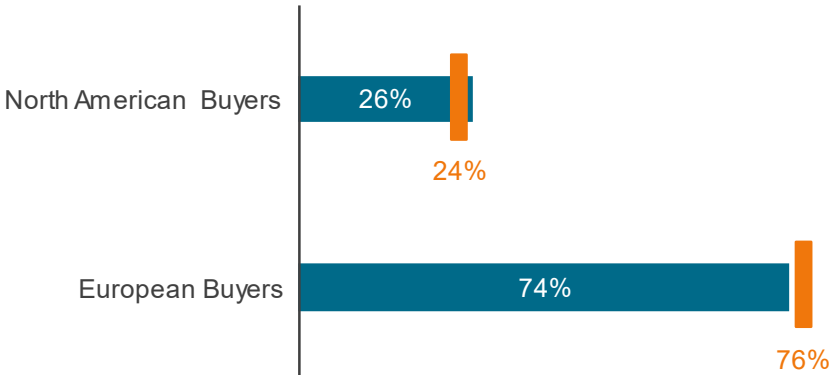
PE and PE-backed buyers continue to represent the majority of the buyers

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

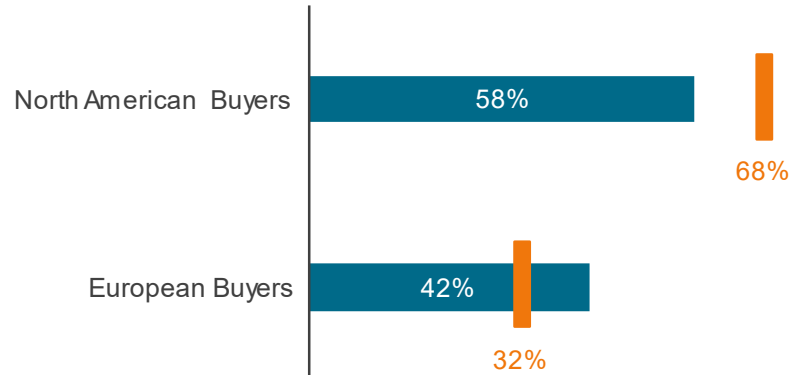


North American buyers see a slight decline in their share of acquisitions of European software companies by number, but an increase by value

SHARE OF TOTAL NUMBER OF ACQUISITIONS OF EUROPEAN TARGETS ⁽¹⁾, 2019 – 2024



SHARE OF TOTAL VALUE OF ACQUISITIONS OF EUROPEAN TARGETS ⁽¹⁾, 2019 – 2024



- LAST 5 YEARS
- LAST 6 MONTHS

Silverpeak in brief



25+

team concentrated
in a single office

400+

completed deal
experience





























60%+

transactions with North
American counterparties
in the last 3 years

We are mid-market
technology specialists
representing European
growth businesses in M&A
and financing transactions
involving the most relevant
investors and acquirers,
wherever they are.

Selected recent transactions

M&A

<p>AUT AUT Oct 2024</p>  <p>Quartz, silicon, and ceramic for semiconductors</p> <p>Majority sale to</p> 	<p>UK NO Sep 2024</p>  <p>Maritime software company</p> <p>Sale to</p> 	<p>BG IE US Mar 2024</p>  <p>Data science & analytics provider for CX transformation</p> <p>Sale to</p> 	<p>UK UAE Aug 2023</p>  <p>Maritime e-procurement platform</p> <p>Sale to</p>  <p>BACKED BY MARLIN EQUITY PARTNERS</p>	<p>AU DE Dec 2022</p>  <p>Travel P2P marketplace</p> <p>€30m acquisition of</p>  <p>MARKET LEADER IN GERMANY</p>	<p>UK US Nov 2022</p>  <p>Hotel technology platform driving direct bookings</p> <p>Sale to</p>  <p>BACKED BY Serent CAPITAL</p>	<p>UK UK Mar 2022</p>  <p>Regtech SaaS solution</p> <p>Sale to</p> 
<p>UK UK Oct 2021</p>  <p>Data extraction & document automation SaaS ML platform</p> <p>Sale to</p> 	<p>NO CA Sep 2021</p>  <p>Project management and risk analysis software</p> <p>Sale to</p> 	<p>NL US Sep 2021</p>  <p>Application testing software</p> <p>Majority sale to</p> 	<p>UK SE Apr 2021</p>  <p>Construction workforce management platform & SaaS</p> <p>Sale to</p>  <p>backed by SUMMAEQUITY</p>	<p>ES US Dec 2019</p>  <p>Gaming cloud streaming</p> <p>Sale to</p> 	<p>UK US Nov 2019</p>  <p>Cloud transformation consultancy</p> <p>Sale to</p> 	<p>FR US Aug 2019</p>  <p>IIoT M2M cybersecurity</p> <p>Sale to</p> 

Selected recent transactions

FINANCING

<p>DK Apr 2024</p> <p>FOUNDERS</p> <p>Venture Capital</p> <p>Fintech single asset secondary sale</p> <p>MULTIPLE INVESTORS</p>	<p>CA US UK ROW Aug 2023</p> <p>phonic</p> <p>Photonically networked silicon spin quantum computers</p> <p>\$100m financing</p> <p>Microsoft BCI Amadeus Capital Partners National Security Investment Fund inovia</p>	<p>UK JP WW Apr 2023</p> <p>zodia CUSTODY</p> <p>Institutional digital asset infrastructure provider</p> <p>\$36m Series A financing</p> <p>SBI scventures by Standard Chartered</p> <p>AND UNDISCLOSED INVESTORS</p>	<p>EU UK FR Mar 2023</p> <p>SIPEARL</p> <p>High-end CPU for AI applications</p> <p>€115m Series A financing</p> <p>European Investment Bank European Innovation Council EIB EVIDEN an a100 business arm</p>	<p>CH PL LU US Dec 2022</p> <p>clearspace today</p> <p>In-orbit servicing and space debris removal</p> <p>\$29m Series A investment by</p> <p>citb swisscom Ventures LUXEMBOURG FUTURE FUND iqt</p>	<p>UK NO US AE Oct 2022</p> <p>UARST ROVCO</p> <p>Autonomous subsea robotics technology</p> <p>\$26m+ Series B</p> <p>Legal & General equinor iqt Martlet Foresight</p>	<p>IT US May 2022</p> <p>CRP TECHNOLOGY CRP USA</p> <p>Additive manufacturing services and proprietary composite materials</p> <p>Investment by</p> <p>ITT</p>
<p>IT WW Jan 2022</p> <p>D-ORBIT</p> <p>In-space services and satellite transport</p> <p>€51.5m pre-SPAC convertible bond by</p> <p>COBHAM iqt IN-Q-TELL & OTHER INVESTORS</p>	<p>UK UK Jun 2021</p> <p>Origami POWER OVER ENERGY</p> <p>Trading and automation SaaS for renewable energy</p> <p>£20m investment led by</p> <p>BARCLAYS</p>	<p>UK LU, US Feb 2021</p> <p>isotropic systems</p> <p>Satellite antenna technology</p> <p>\$40m investment by</p> <p>SES BOEING HORIZONX</p>	<p>UK EU Oct 2020</p> <p>V-NOVA</p> <p>Video compression solutions</p> <p>\$33m investment by</p> <p>INVESTMENT FIRMS & TECH ENTREPRENEURS</p>	<p>UK US Sep 2020</p> <p>ZOOMM</p> <p>Fibre broadband network operator</p> <p>£100m investment by</p> <p>OAKTREE</p>	<p>PT US Sep 2020</p> <p>ARMILAR VENTURE PARTNERS</p> <p>Venture capitalist</p> <p>Continuation fund led by</p> <p>GENERAL ATLANTIC Incl. outsystems Low-code SaaS leader</p>	<p>LT JP, UK Jun 2020</p> <p>Trafi</p> <p>Mobility-as-a-Service platform</p> <p>Investment by</p> <p>MS&AD Aioi Nissay Dowa Sumitomo European Bank for Reconstruction and Development octopusinvestments</p>



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