

NORDHAVEN QUARTERLY SOFTWARE REPORT

Q1 2020

“Corona strikes tail-end of 1st quarter”



KEY OBSERVATIONS Q1 2020

- Nordhaven has identified 29 software transactions for Q1 2020, which is 5 more than Q1 2019. Almost half of the transaction volume occurred in January, March had 10 transactions.
- The vast majority of M&A processes now seems to be put on hold. The negative impact on deal activity due to COVID-19 is expected to be significant for Q2 2020.
- As in previous crisis, pricing is expected to be particularly challenging with large discrepancies between buyer and sellers view of 2020 and 2021 estimates. This creates an inherent lag in M&A activity in market turmoil.
- Business critical software seems however to be some of the most resilient assets in this downturn.

29
transactions
in Q1 2020

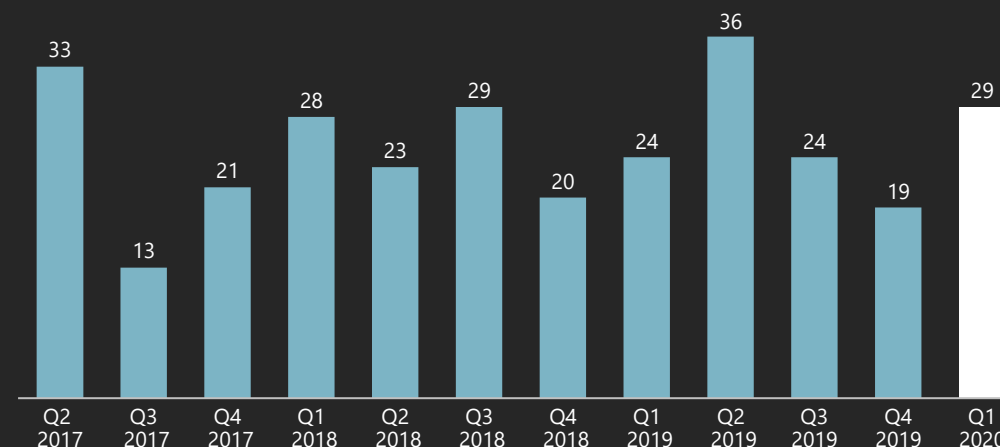
4.8x
EV / SALES²

INCLUSION CRITERIA

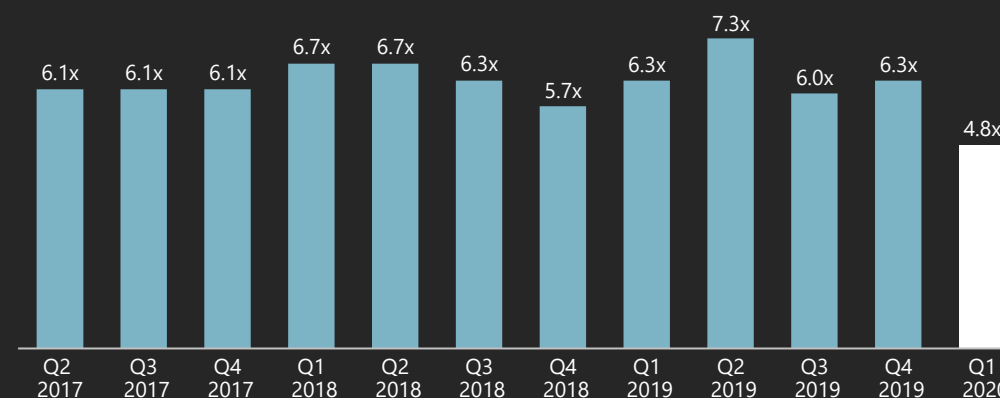
Announced transactions where a Norwegian, Swedish, Finnish, Icelandic or Danish-based software company has been sold during the quarter. The company sold must have the majority of its operations in either of these countries. Consultancy and IT-services (no software) transactions are not included. Minority transactions or transactions that does not create a "change-of-control" situation have also been excluded. Mergermarket is our primary source for identifying eligible transactions. Transactions below 5 MUSD have not been included.

Q2 2017 – Q1 2020

IDENTIFIED # OF NORDIC SOFTWARE TRANSACTIONS



EV / SALES INTERNATIONAL LISTED SOFTWARE COMPANIES¹

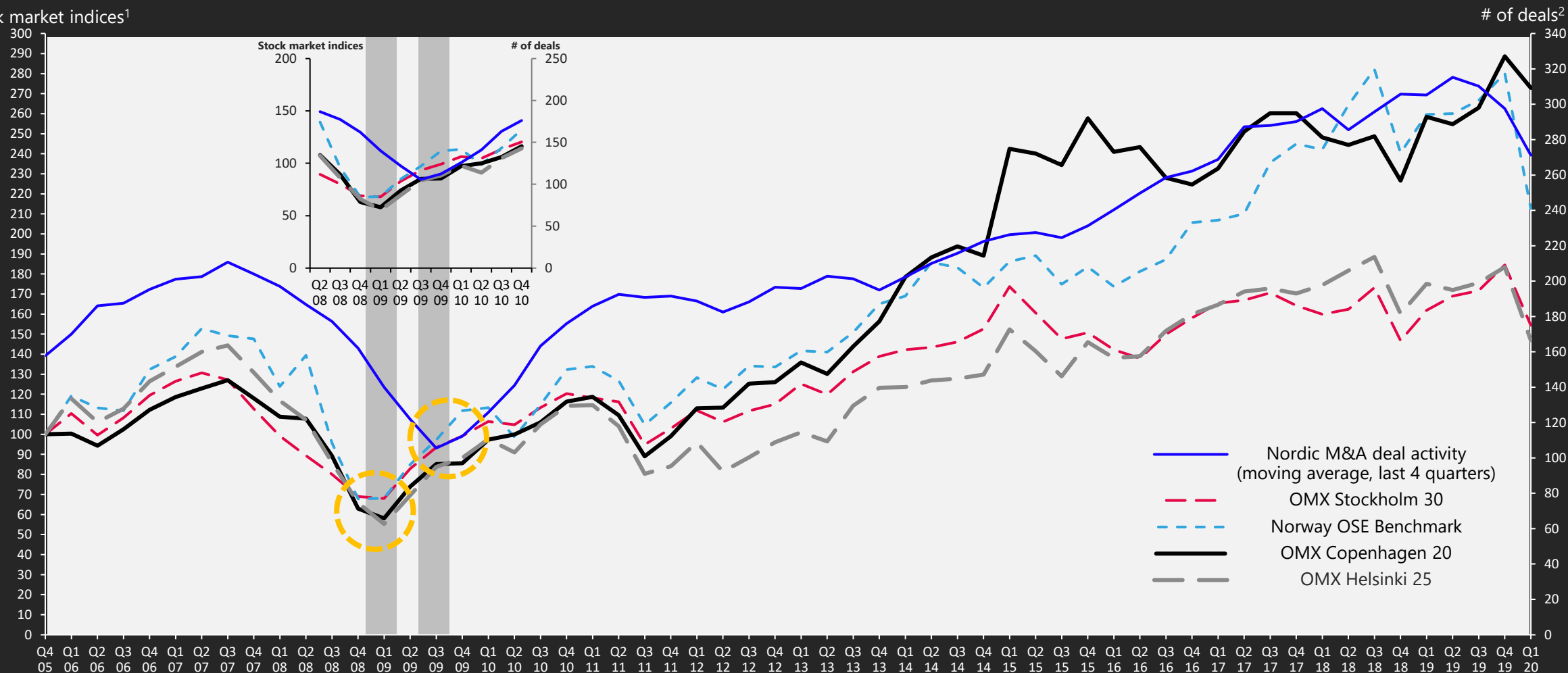




DEAL VOLUME IN THE 2008-09 FINANCIAL CRISIS SEEMED TO LAG AROUND 6 MONTHS FROM MARKET REBOUND

Nordic M&A activity quarterly across all sectors (deal volume) vs. main Nordic stock exchanges

Stock market indices¹

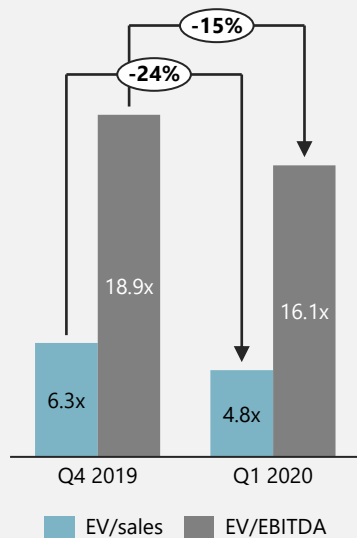


SOFTWARE SEEMS MORE RESILIENT SO FAR IN THIS DOWNTURN

MULTIPLES AND SHARE PRICES DOWN, THOUGH LESS THAN OVERALL MARKET

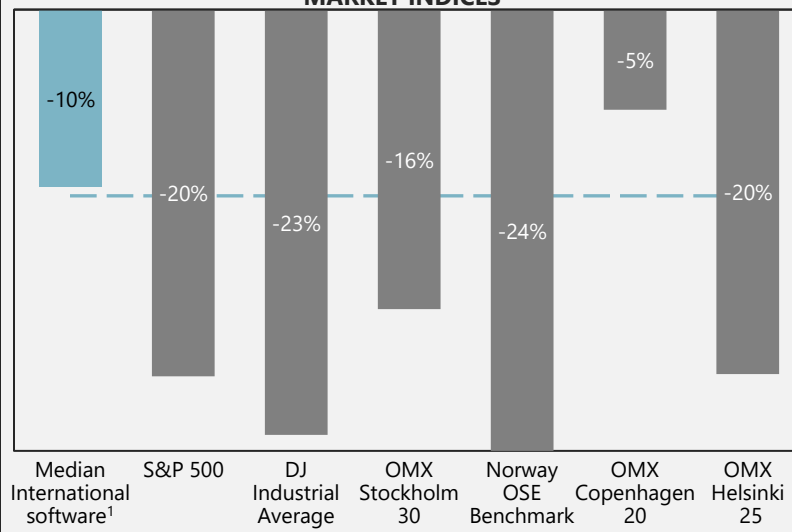
The median forward looking EV/sales and EV/EBITDA multiples have sharply fallen compared to Q4 for our selection of international software companies.

CHANGE IN INTERNATIONAL SOFTWARE MULTIPLES¹



But the international software selection have been less negatively hit by the market turmoil² in relation to COVID-19.

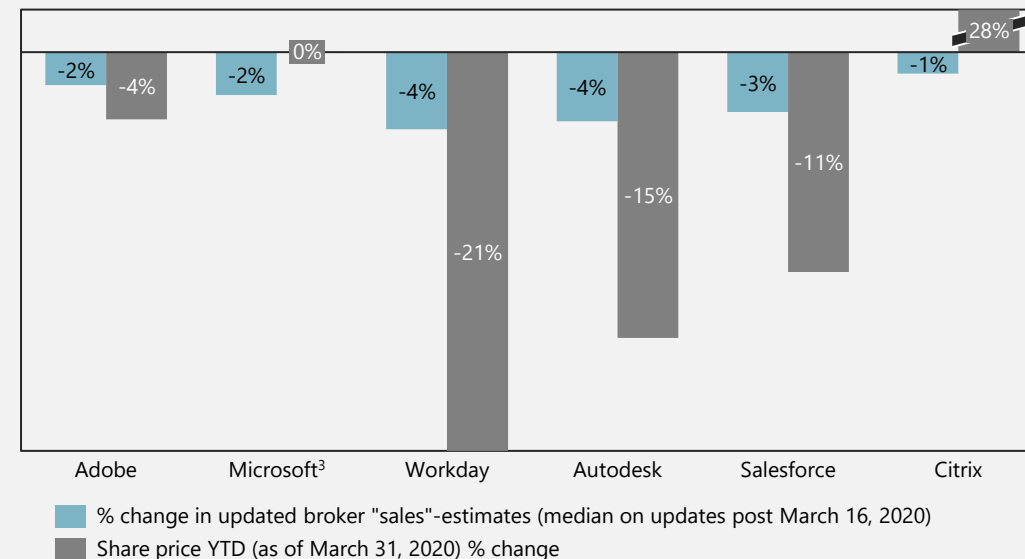
YTD (AS OF MARCH 31, 2020) CHANGE IN INTERNATIONAL SOFTWARE SHARE PRICES (MEDIAN) AND SELECTED STOCK MARKET INDICES



ESTIMATES REVISED DOWN, YET NOT SIGNIFICANTLY

So far, analysts' revised estimates seem to expect less negative implications compared to the market reaction. First and foremost we believe this is due to the dramatic change in the macro environment and it will take time before this is fully understood and reflected in company estimates. Also, few companies have publicly guided on the effect of COVID-19 yet. But evidently, most recent estimate updates are more negative than the first updates released shortly after the lockdown of the western world due to COVID-19...

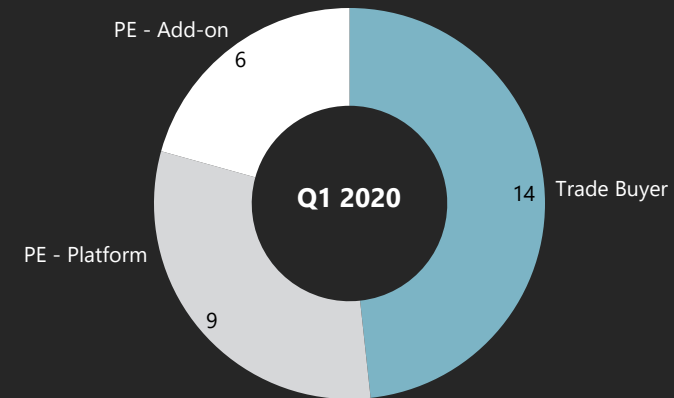
REDUCED SALES ESTIMATES VS. YTD SHARE PRICE DEVELOPMENT FOR SELECTED SOFTWARE COMPANIES



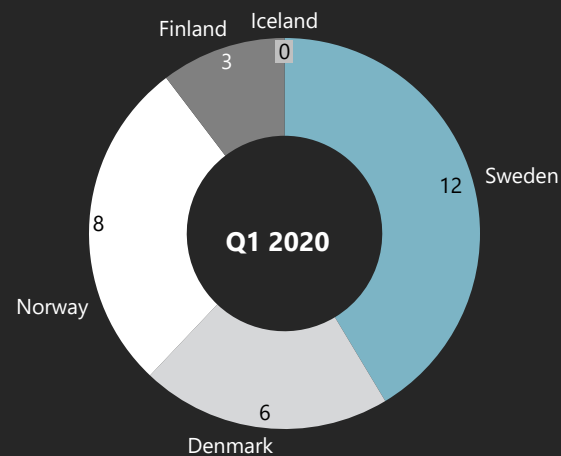
29 TRANSACTIONS IDENTIFIED IN THE NORDIC SOFTWARE SPACE IN Q1 2020 (SEE NEXT PAGE FOR HISTORICAL BREAKDOWNS)

- Overall, minor variations from quarter to quarter with respect to acquisition type. There is somewhat larger representation of Trade Buyers this quarter compared to the dominance of PE in 2019, but numbers are sensitive to how we classify Visma. If we also view Visma's 2 acquisitions as PE add-on, the percentage of PE transactions will reach 60% of the volume in Q1.
- Sweden accounts for more than 40% of the Nordic transactions during Q1, representing the highest quarterly Swedish share observed during the past years.
- Both US PE and Trade Buyers remain active in the Nordic market representing over 21% of the volume in Q1.

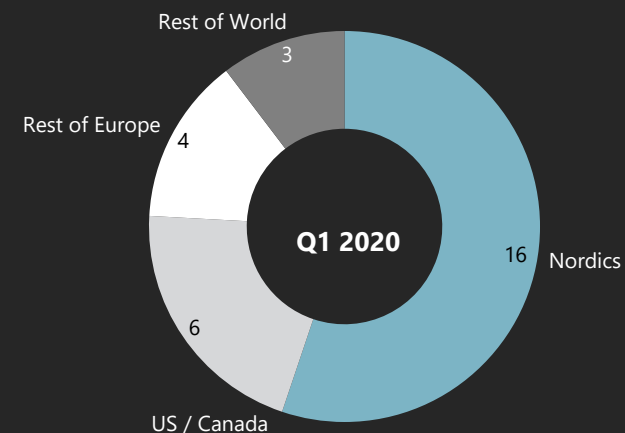
DEALS BY ACQUISITION TYPE



DEALS BY TARGET'S COUNTRY



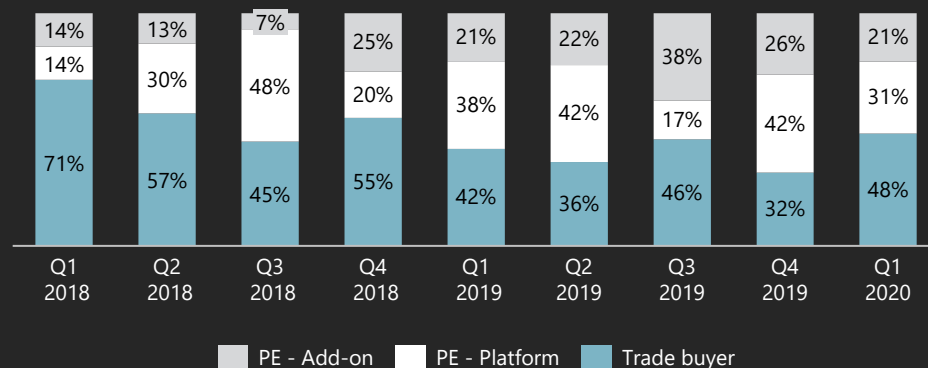
DEALS BY ACQUIROR'S REGION



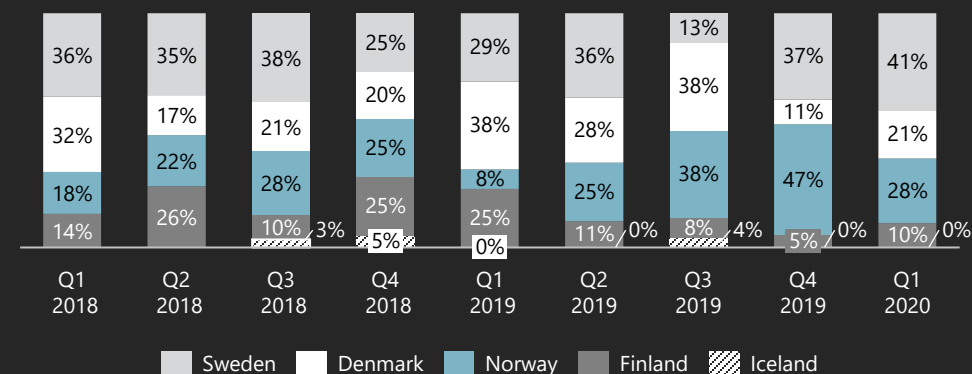
NORDIC SOFTWARE TRANSACTIONS

Quarter-by-Quarter development Q1 2018 - Q1 2020

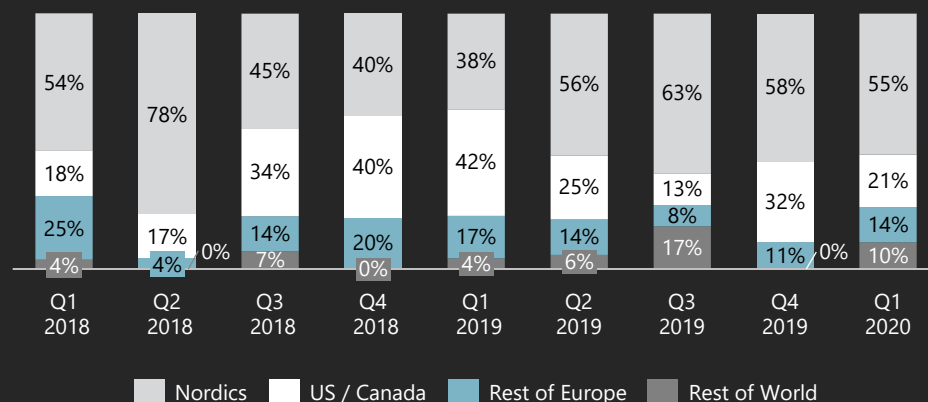
BREAKDOWN OF DEALS BY EXIT TYPE



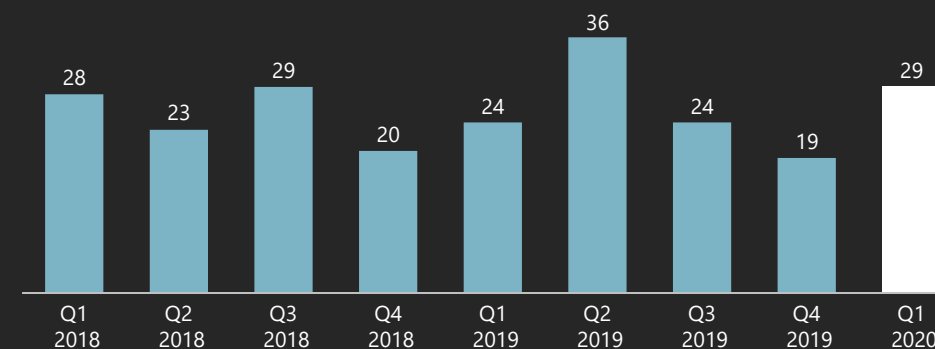
BREAKDOWN OF DEALS BY TARGET'S COUNTRY






































BREAKDOWN OF DEALS BY ACQUIROR'S REGION

































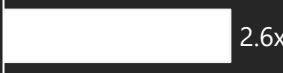

















QUARTERLY NUMBER OF TRANSACTIONS



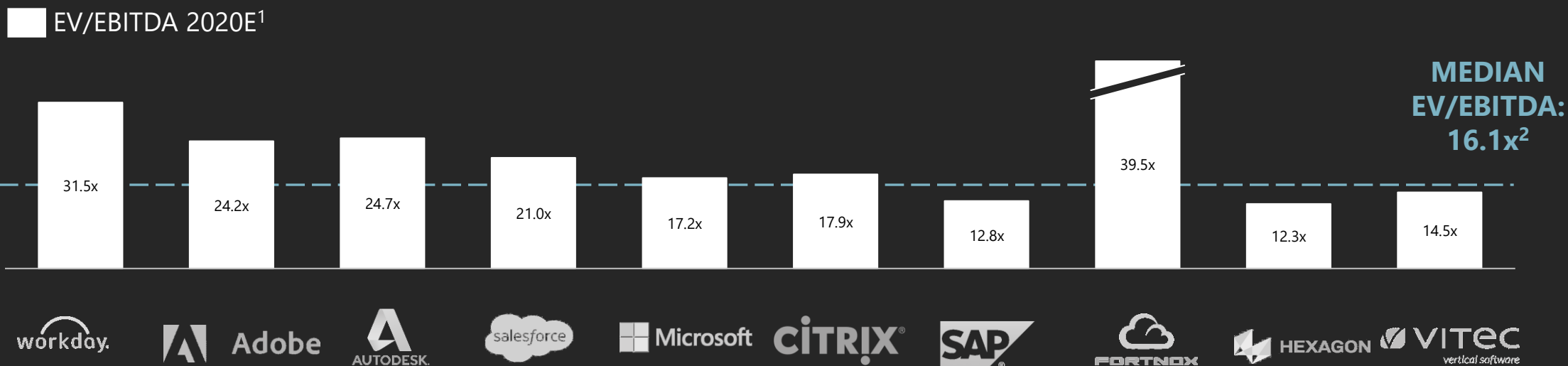
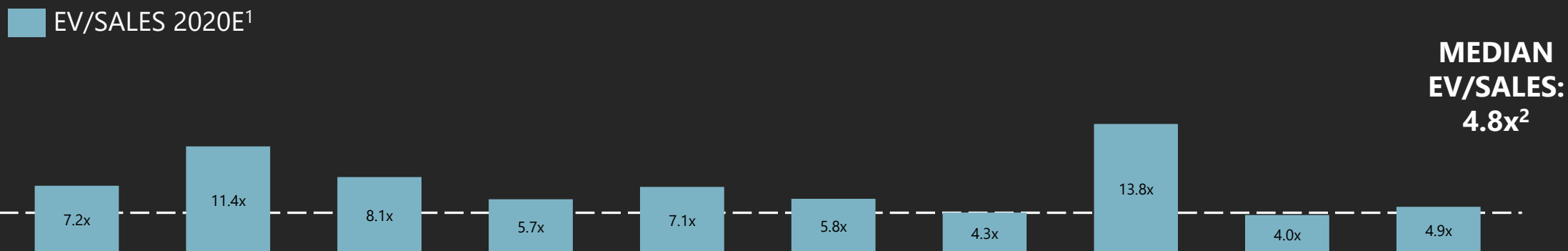
NOTABLE TRANSACTIONS DURING Q1 2020

TARGET	REVENUE 2019 (MEUR) ¹	SELLER	ACQUIROR
 <p>Sweden-based provider of e-security solutions</p> 	36	Private	 
 <p>Norway-based company engaged in developing software for management and documentation of chemicals</p> 	23	66%  VIKING VENTURE  SUMMAEQUITY	 Goldman Sachs  SUMMAEQUITY 
 <p>Norway-based construction software provider</p> 	17	Private	 
 <p>Sweden-based provider of project management system for the construction and contractor industry</p> 	3	Private	 
 <p>Norway-based provider of software for market research and enterprise feedback management</p> 	Not available	Private	 verdane capital  ZOBITO  
 <p>Denmark-based provider of cloud-based cybersecurity solutions</p> 	Not available	 CSIS GROUP	 MARLIN EQUITY PARTNERS 
 <p>Sweden-based company providing enterprise resource planning (ERP) and supply chain management (SCM) software to the distribution industry</p> 	Not available	 MARLIN EQUITY PARTNERS	 Bregal Unternehmerkapital 

SELECTED SOFTWARE TRANSACTION MULTIPLES – LAST 12 MONTHS

	EXIT MULTIPLE (EV/SALES) ¹		TARGET		ACQUIROR
Q4 2019	 6.5x	 SMARTLY.IO	 Finland-based company specializing in providing solutions for digital advertising platform		 PROVIDENCEEQUITY 
Q2 2019	 4.0x	 ReachMee	 Sweden-based provider of cloud-based recruitment solutions		 verdane capital HR Nordic Holding 
Q3 2019	 4.0x	 Seriously	 Finland-based publisher of mobile games		 Playtika 
Q1 2020	 3.1x	 TOCOMAN	 Finland-based company that develops and provides cost accounting and production management software		 admicom 
Q2 2019	 3.0x	 EFG	 Denmark-based provider of proprietary software solutions		 FP FRANCISCO PARTNERS 
Q4 2019	 2.6x	 InfoTjenester	 Company providing education and training in the fields of payroll, accounting, HR and Personnel management and safety		 FERD 
Q3 2019	 1.5x ²	 CXENSE	 Norway-based company that develops, operates, sells and licenses software solutions		 piano 
Q3 2019	 0.7x	 WISE	 Iceland-based provider of customizable enterprise reporting planning (ERP) and business management software and related services		 CENTARA INTELLIGENT RETAIL 

TRADING MULTIPLES FOR SELECTED INTERNATIONAL AND NORDIC SOFTWARE COMPANIES¹



LIST OF IDENTIFIED NORDIC SOFTWARE TRANSACTIONS Q1 2020

#	TARGET	TARGET COUNTRY	BIDDER	BIDDER GEOGRAPHY	MONTH ¹	TYPE
1	Alfa kommun & landsting ab; Safe Care Svenska AB	Sweden	Main Capital Partners B.V.	Rest of Europe	March	PE - Platform
2	Queue-it ApS (75% Stake)	Denmark	GRO Capital A/S	Nordics	March	PE - Platform
3	Teston AS	Norway	UserTesting, Inc.	US / Canada	March	PE - Add-on
4	Holte AS	Norway	EG A/S	Nordics	March	PE - Add-on
5	ALMA Consulting Oy	Finland	Vitec Software Group AB	Nordics	March	Trade Buyer
6	Hubso AB (83.5% Stake)	Sweden	Orgo Tech AB	Nordics	March	Trade Buyer
7	Framsikt AS (50.1% Stake)	Norway	Visma AS	Nordics	March	Trade Buyer
8	Xtractor Interactive AB	Sweden	Semcon AB	Nordics	March	Trade Buyer
9	Tocoman Oy	Finland	Admicom Oy	Nordics	March	Trade Buyer
10	Heimdal Security A/S	Denmark	Marlin Equity Partners, LLC	US / Canada	March	PE - Platform
11	Firstagenda A/S	Denmark	Visma AS	Nordics	February	Trade Buyer
12	EcoOnline AS (66% Stake)	Norway	Goldman Sachs Merchant Banking Division; Summa Equity Fund II	US / Canada	February	PE - Platform
13	Confirmit AS	Norway	Verdane Capital Advisors AS; Zobito AB	Nordics	February	PE - Add-on
14	Cloud Explorers AS (70% Stake)	Norway	TargetEveryOne AB (Publ)	Nordics	February	Trade Buyer
15	Funcom N.V. (71% Stake)	Norway	Tencent Holdings Ltd.	Rest of World	February	Trade Buyer
16	Technology Nexus Secured Business Solutions AB	Sweden	IN Groupe	Rest of Europe	February	Trade Buyer
17	Dicom Expense AB	Sweden	MobileXpense SA	Rest of Europe	January	PE - Add-on
18	Visiolink Management ApS	Denmark	Vitec Software Group AB	Nordics	January	Trade Buyer
19	Unsiilo A/S	Denmark	Cactus Communications Pvt. Ltd.	Rest of World	January	Trade Buyer
20	Monsido ApS	Denmark	Vaekstfonden; Level Equity Management, LLC	US / Canada	January	PE - Platform
21	Funnel AB	Sweden	Kreos Capital; Industrifonden; Balderton Capital (UK) LLP; F-Prime Capital Partners; Eight Roads Ventures; Zobito AB; OXX Ltd	Rest of World	January	PE - Platform
22	Systemite AB	Sweden	JCE Group AB	Nordics	January	PE - Platform
23	TelliQ AB	Sweden	Infobric AB	Nordics	January	PE - Add-on
24	uniZite AS	Norway	Tribia AS	Nordics	January	Trade Buyer
25	Byggsamverkan Projektstyrning Svenska AB	Sweden	Nordiska Entreprenadsystem AB	Nordics	January	PE - Add-on
26	Ping Pong AB	Sweden	Total Specific Solutions (TSS) B.V.	US / Canada	January	Trade Buyer
27	Liana Technologies OY (67% Stake)	Finland	Ilkka-Yhtymä Oy	Nordics	January	Trade Buyer
28	Iptor Supply Chain Systems AB	Sweden	Bregal Unternehmerskap GmbH	Rest of Europe	January	PE - Platform
29	Webbhalsa AB	Sweden	Ontario Teachers' Pension Plan; Accel; Index Ventures; Creandum	US / Canada	January	PE - Platform

NORDHAVEN IS THE LEADING INDEPENDENT M&A SPECIALIST IN THE NORDIC

NORDHAVEN IN SHORT

~40

Professionals

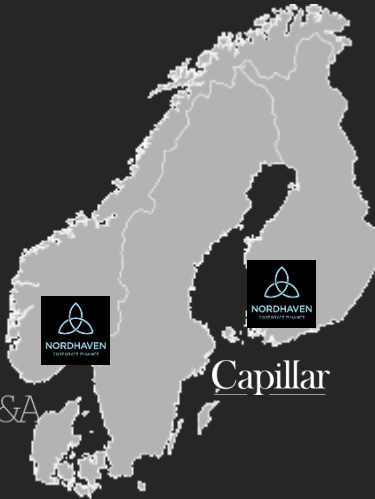
+ 20

Years of experience

300

Transactions advised

NORDICM&A



Nordhaven service offering

We operate as a strategic financial advisor and partner to owners, board members and management throughout the business life cycles.

- MERGERS & ACQUISITIONS
- DEBT & CAPITAL ADVISORY
- INCENTIVE ADVISORY

Partnership with **Capillar Advisory** (former UB Capital) and **Nordic M&A** through Clairfield International.

What we believe in






- M&A is a particular craftsmanship we only will be good at if we stay focused, are well prepared and strive to stay ahead of the pack
- We love technology and we admire founders – that is also our own heritage
- We seek added value for our clients through identifying and arguing for strong business logic and strategic rationale in the deals that we advise

CORE SECTOR EXPERTISE



LEADING INDEPENDENT ADVISOR IN THE NORDIC SOFTWARE SECTOR

NORDIC SOFTWARE FINANCIAL ADVISORS BY VOLUME

Deloitte.	10
	9
	8
 NORDHAVEN CORPORATE FINANCE	7
	7
	5
ALPHA	5
RAYMOND JAMES®	4
STELLA EOC	4

RECENT NORDHAVEN TMT DEALS

 **holte**

Sold to



Advisor to Holte

2020

 **Point Group**

Sold to

Groupe Monnoyeur

Advisor to Point Group

2020

Asolvi

Sold to

VOLPi CAPITAL

Advisor to Asolvi

2019

Advisor to
to Confirma Software backed by

abry partners

on the acquisition of

_compilo

2019

Advisor to

motimate 

In connection with its
private placement.

2019

 **Datalight®**

Sold to

TUXERA

Advisor to Tuxera

2019

Advisor to
to Confirma Software backed by

abry partners

on the acquisition of

 **SOFTWARE**
Business Solutions

2019

Advisor to
to Confirma Software backed by

abry partners

on the acquisition of

 **Computer Program Unit**
MARKANISER KATRAISLOT

2019

ONE VOICE

Sold to

F24

Advisor to One Voice

2019

PARTNER OF CLAIRFIELD INTERNATIONAL

ONE OF THE LEADING INDEPENDENT M&A ADVISORY FIRMS IN THE MID- MARKET SEGMENT

130

Transactions
closed in 2018

300

Professionals

€3.3bn

Cumulative value of
transactions closed
in 2018

Western Europe

Belgium
France
Germany
Italy
The Netherlands
Spain
Switzerland
United Kingdom

Northern Europe

Denmark
Finland
Norway
Sweden

Central & Eastern Europe

Austria
Hungary
Poland
Russia

The Americas

Brazil
Canada
Chile
Mexico
USA

Middle East

Israel
Turkey

Asia-Pacific

Australia
China




We have been exclusive
Nordic partner of Clairfield
International since 2012,
and we have local partners
in over 20 countries

Through the Clairfield
250+ professionals we
have global connectivity,
and local access to
counterpart.

High ranking in the league
tables:
15 worldwide
9 in EMEA
#1 in EMEA Technology
sector

TOP NORDIC SOFTWARE ADVISOR WITH OUR CLAIRFIELD PARTNERS

NORDIC SOFTWARE FINANCIAL ADVISORS BY VOLUME

CLAIRFIELD INTERNATIONAL	10
Deloitte.	10
 pwc	9
 EY	8
 ABG SUNDAL COLLIER	7
 Carnegie	5
ALPHA	5
RAYMOND JAMES®	4
STELLA EOC	4



NORDICM&A



NORDHAVEN
CORPORATE FINANCE

Capillar

APPENDIX 1: SELECTED INTERNATIONAL LISTED SOFTWARE COMPANIES

#	TICKER FACTSET	COMPANY NAME	EV/SALES 2020E	EV/EBITDA 2020E	Estimate Date
1	WDAY	Workday	7.2x	31.5x	Estimate Jan 2021
2	ADBE	Adobe Systems	11.4x	24.2x	Estimate Nov 2020
3	ADSK	Autodesk	8.1x	24.7x	Estimate Jan 2021
4	NOW	ServiceNow	12.4x	42.9x	Estimate Dec 2020
5	CRM	Salesforce	5.7x	21.0x	Estimate Jan 2021
6	DSY-FR	Dassault Systems	7.9x	22.1x	Estimate Dec 2020
7	INTU	Intuit Inc	7.5x	20.6x	Estimate Jul 2020
8	ULTI	Ultimate Software	Delisted	Delisted	Estimate Dec 2020
9	DATA-US	Tableau Software	Acquired by Salesforce	Acquired by Salesforce	Estimate Dec 2020
10	CHKP	Check Point Software	6.3x	12.8x	Estimate Dec 2020
11	RHT	Red Hat	Acquired by IBM	Acquired by IBM	Estimate Feb 2020
12	MSFT	Microsoft	7.1x	17.2x	Estimate Jun 2020
13	VMW	Vmware	4.6x	13.6x	Estimate Jan 2021
14	EGAN-US	eGain Corporation	2.6x	41.4x	Estimate Jun 2020
15	CSOD-US	Cornerstone Ondemand	3.0x	12.6x	Estimate Dec 2020
16	ENGH-CA	Enghouse Systems	4.3x	14.7x	Estimate Oct 2020
17	CTXS-US	Citrix	5.8x	17.9x	Estimate Dec 2020
18	CSU-CA	Constellation Software	4.7x	17.5x	Estimate Dec 2020
19	SAP-DE	SAP	4.3x	12.8x	Estimate Dec 2020
20	ORCL	Oracle	4.8x	10.0x	Estimate May 2020
21	CERN-US	Cerner	3.2x	10.2x	Estimate Dec 2020
22	SGE-GB	Sage Group	3.5x	14.2x	Estimate Sep 2020
23	NUAN-US	Nuance Communications	4.0x	16.1x	Estimate Sep 2020
24	NLOK	NortonLifeLock	1.3x	3.0x	Estimate Mar 2020
25	PRGS	Progress Software	3.7x	9.0x	Estimate Nov 2020
26	FNOX-SE	Fortnox	13.8x	39.5x	Estimate Dec 2020
27	HEXA.B-SE	Hexagon	4.0x	12.3x	Estimate Dec 2020
28	VIT.B-SE	Vitec	4.9x	14.5x	Estimate Dec 2020



OSLO

ANDERS STRAND

PARTNER

anders.strand@nordhaven.com

+47 901 38 832



NORDHAVEN

CORPORATE FINANCE

**FOR QUESTIONS REGARDING THE
REPORT PLEASE CONTACT:**

TORD GJØRTZ BRENDEN

tord.brenden@nordhaven.com

+47 901 04 290



HELSINKI

JUHA RAUNIO

PARTNER

juha.raunio@nordhaven.com

+358 40 570 5260

NORWAY

Nordhaven

Hieronimus
Heyerdahls gate 1

Oslo

DENMARK

Nordic M&A

Amaliegade 14

Copenhagen

SWEDEN

Capillar Advisory

Birger Jarlsgatan 14

Stockholm

FINLAND

Nordhaven

Eteläranta 12

Helsinki