



**NORDHAVEN**  
CORPORATE FINANCE

# Quarterly Software Report

---

Q3 2018



# EXECUTIVE SUMMARY

- There were 29 transactions in the software space in the Nordics in Q3 2018 vs. 23 in the previous quarter.
- The performance of the Nordic Technology EUR GI index was relatively strong in Q3 2018 with an increase of 4.6% for the third quarter.
- The largest deal activity within Nordic software could be found in Sweden, with 11 identified deals, followed by Norway (8 deals), Denmark (6 deals), Finland (3 deals) and Iceland (1 deal).
- PE buyers were the leading buyer group, completing 16 of the 29 deals, while strategic buyers completed 13.
- Nordic buyers continued to dominate in Q3 with 13 (45%) of the 29 deals, however we observe an increasing interest from US and Canadian buyers with 10 deals in Q3.
- The Nordic discount gap decreased to ~60% compared with international software companies, based on EV / SALES 2018E multiples.

**29**  
transactions  
in Q3/18

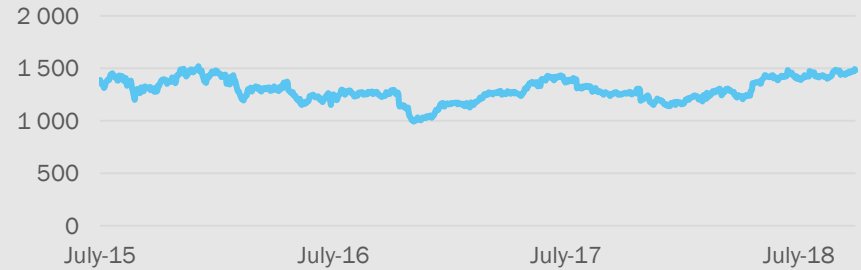
**6.3x**  
EV/ sales  
international  
software  
companies

### Inclusion criteria

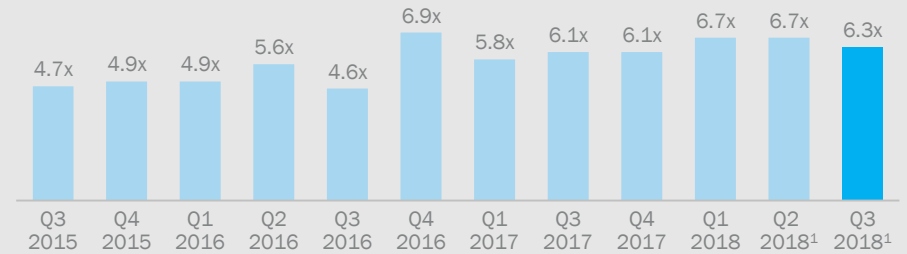
Announced transactions where a Norwegian, Swedish, Finnish, Icelandic or Danish-based software company has been sold during the quarter. The company sold must have the majority of its operations in either of these countries. Consultancy and IT-service (no software) transactions are not included. Minority 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.

## NORDIC TECHNOLOGY EUR GI

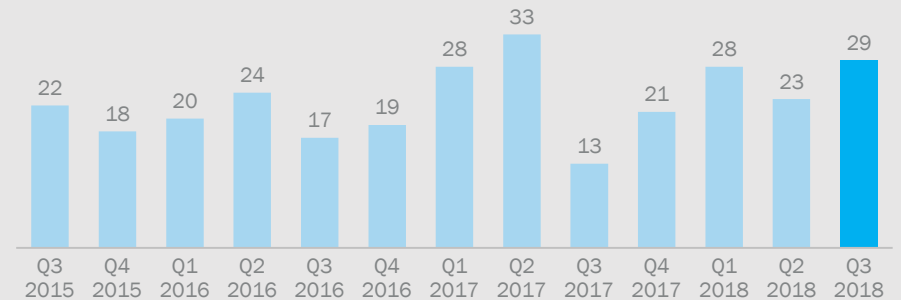
Q3 2015 – Q3 2018



## EV / SALES 2018E INTERNATIONAL SOFTWARE COMPANIES



## IDENTIFIED TRANSACTIONS



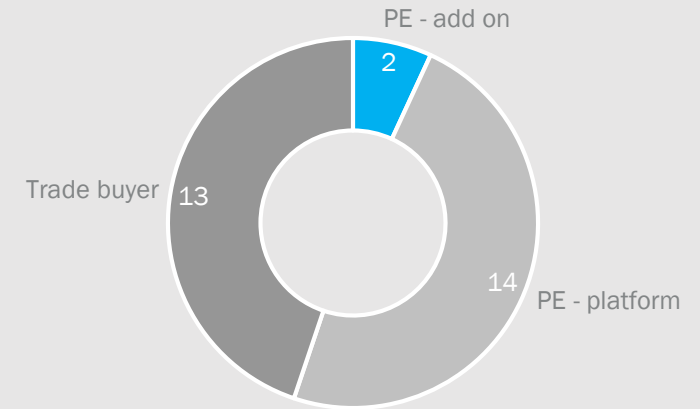
<sup>1</sup>) Median based on revised selection of international software companies (appendix 1)  
Source: Mergermarket, Factset and Nordhaven analysis

# NORDIC SOFTWARE TRANSACTIONS OVERVIEW OF Q3 2018

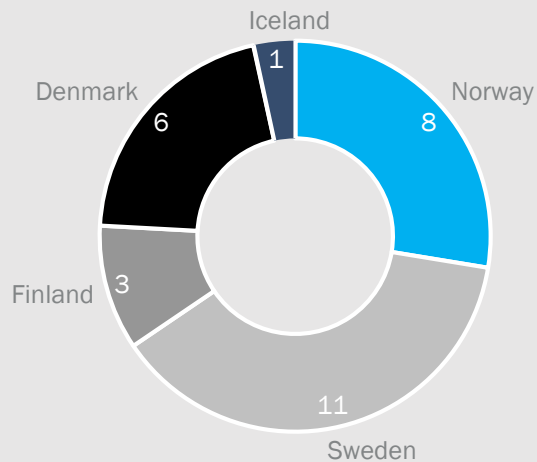
## COMMENTS

- Nordhaven has identified 29 Nordic software transactions in Q3 2018.
- 45% of the companies were acquired by trade buyers, which is somewhat lower than historical average.
- Of the equity-backed deals, 14 were platform and 2 were add-on investments.
- Sweden completed 11 deals, representing 38% of the total deal activity for the period.
- 45% of the companies were sold to entities in the Nordics, followed by 34% of acquirers in the US and Canada.

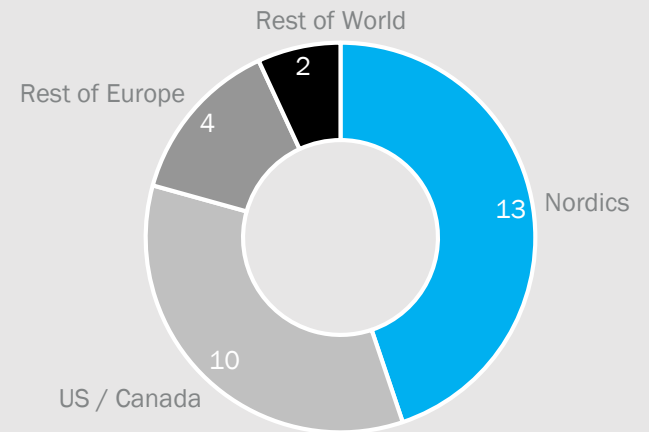
## DEALS BY EXIT TYPE



## DEALS BY TARGET'S COUNTRY

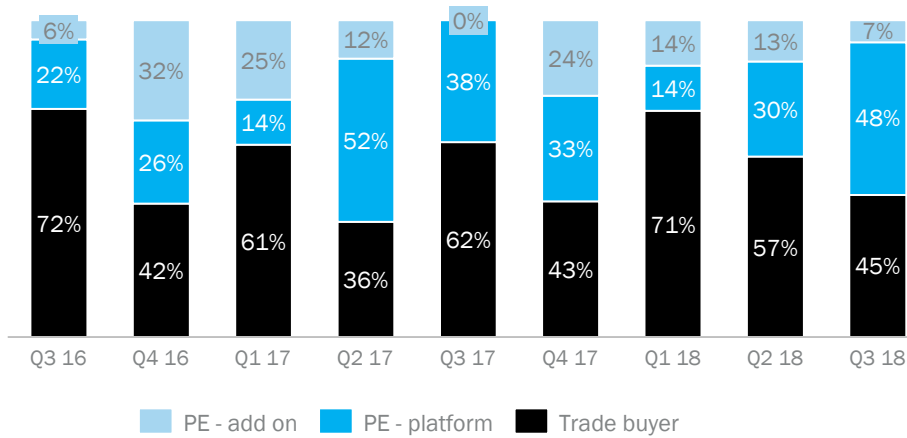


## DEALS BY ACQUIRER'S COUNTRY

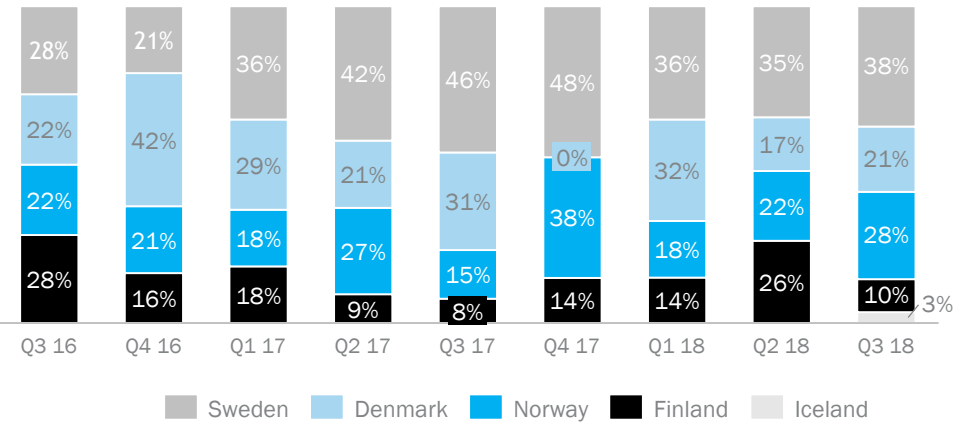


# NORDIC SOFTWARE TRANSACTIONS QUARTER-BY-QUARTER DEVELOPMENT

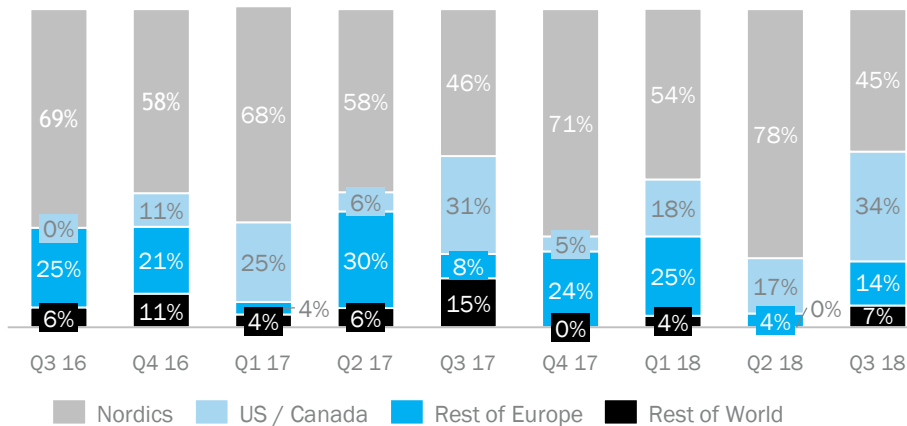
## BREAKDOWN OF DEALS BY EXIT TYPE



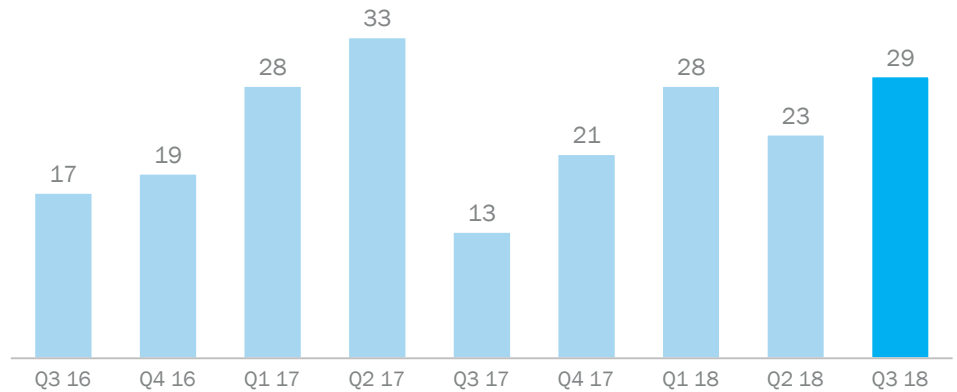
## BREAKDOWN OF DEALS BY TARGET'S COUNTRY









































## BREAKDOWN OF DEALS BY ACQUIROR'S REGION



## NUMBER OF TRANSACTIONS



# NOTABLE TRANSACTIONS DURING Q3 2018

TARGET		REVENUE 2017 (MEUR)	SELLER	ACQUIROR
 <b>VISMA</b>	Retail software solutions	 95.1 <sup>1</sup>	Divestment of Visma Retail	 <b>STG</b> 
<b>EXTENDA</b>	Retail software solutions	 25.3	Private	 <b>STG</b> 
 <b>NAUTISK</b>	provider of maritime charts, publications and navigational etc.	 9.2	NHST Media Group AS	 <b>IEQT</b> 
 <b>ADITRO</b>	Provider of HR and payroll solutions and outsourcing services	 22.7	Corporate	 <b>VISMA</b> 
 <b>Compusoft</b>	Provider of computer-aided design (CAD) software	 44.3	Private	 <b>TA ASSOCIATES</b> 
 <b>epi</b>	Providing web content management and online community platforms	 68.6 <sup>2</sup>	Private	 <b>INSIGHT VENTURE PARTNERS</b> 
 <b>Cinnober</b>	Software for marketplace tech solutions	 35.6	Listed	 <b>Nasdaq</b> 
 <b>CCP</b>	Software for interactive entertainment	 62.0	Private	 <b>PEARL ABYSS</b> 
 <b>link mobility</b>	Software mobile solutions and mobile services	 131.5	Listed	 <b>abry partners</b> 
 <b>ORDRESTRYNG.DK</b>	Mobile and web-based case management system for craftsmen and contractors)	NA	Private	 <b>Adelis Equity</b> 

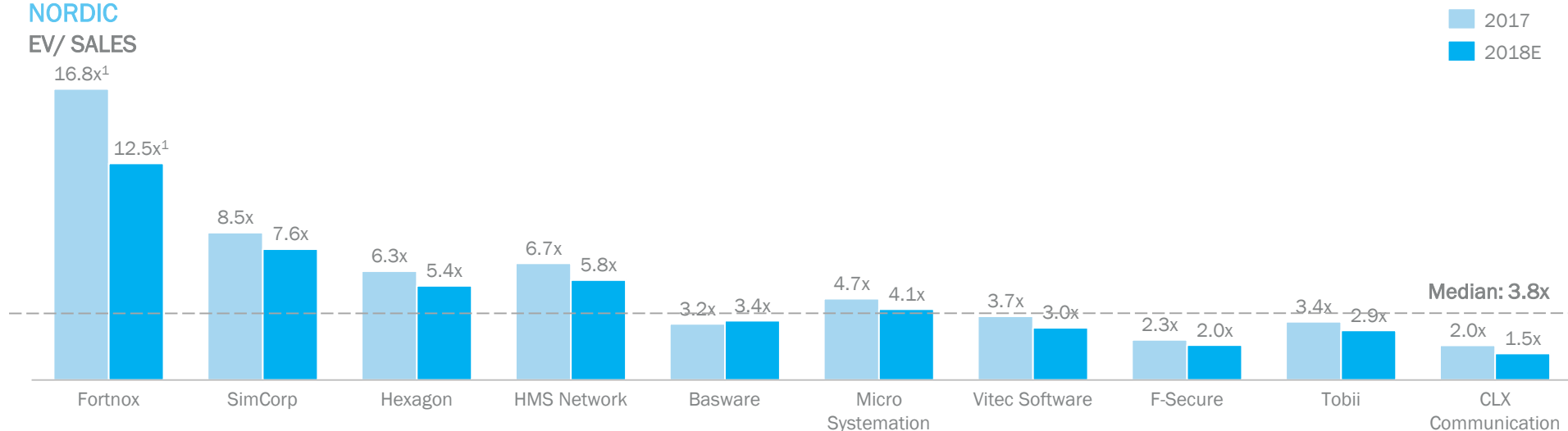
5 1) Sum of revenues for all the acquired units 2) Assumed 34% growth in sales from FY 2016  
Source: Mergermarket, Valu8 and Nordhaven analysis

# SELECTED SOFTWARE TRANSACTION MULTIPLES (EV / SALES) – LAST 12 MONTHS

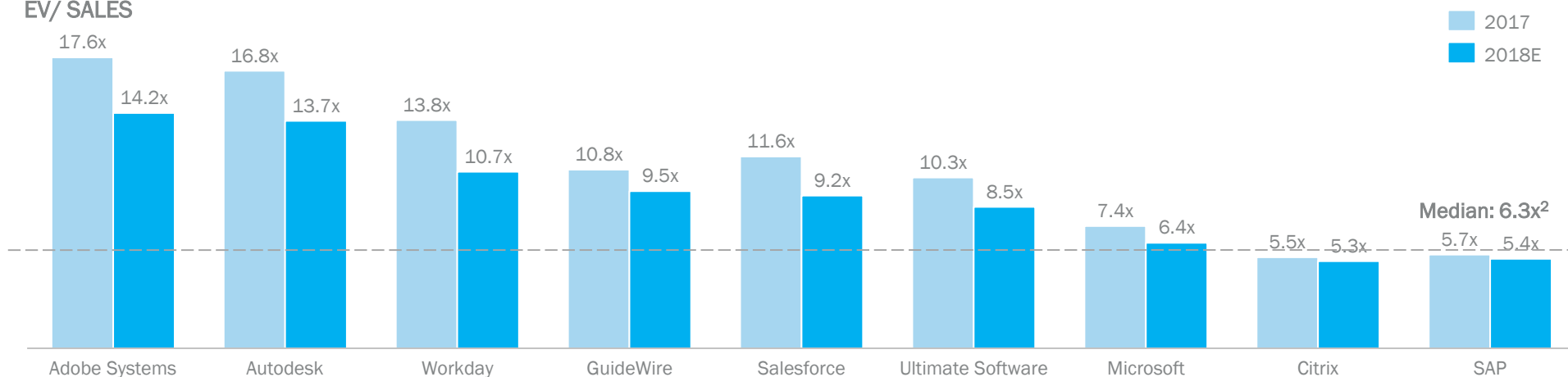
EXIT MULTIPLE		TARGET			ACQUIROR	
Q3 2018	14.5x <sup>1</sup>			Software providing web content management etc.	→ 	
Q4 2017	4.6x			Software for document sharing	→ 	
Q3 2018	4.6x <sup>2</sup>			Software for marketplace tech solutions	→ 	
Q4 2017	4.0x			Software for customs clearance and freight forw.	→ 	
Q3 2017	3.8x			Software for documentation of chemicals	→ 	
Q3 2018	3.1x <sup>3</sup>			Software for interactive entertainment	→ 	
Q4 2017	3.1x			Software for payment solutions	→ 	
Q3 2018	2.2x <sup>2</sup>			Software for mobile solutions and mobile services	→ 	
Q3 2017	1.8x			Software for smart grid / customer interaction	→ 	
Q3 2017	1.2x			Open-source software for web design	→ 	

# TRADING MULTIPLES OF SELECTED NORDIC AND INTERNATIONAL SOFTWARE COMPANIES

## NORDIC EV/ SALES



## INTERNATIONAL EV/ SALES



# LIST OF IDENTIFIED NORDIC SOFTWARE TRANSACTIONS IN Q3 2018

#	TARGET	TARGET COUNTRY	BIDDER	BIDDER COUNTRY	DATE	TYPE
1	Visma Retail AS; Wallmob A/S; Abalon AB; NYCE Solutions AB; Visma Retail Software AS; Visma Retail AB	Norway	Symphony Technology Group	US / Canada	September	PE - platform
2	Extenda AB	Sweden	Symphony Technology Group	US / Canada	September	PE - platform
3	Mouseflow ApS	Denmark	Offspring Capital APS	Nordics	September	PE - platform
4	Cinnober Financial Technology AB	Sweden	Nasdaq Inc	US / Canada	September	Trade buyer
5	Hemsida24 AB	Sweden	Miss Group Holdings Ltd	Rest of Europe	September	Trade buyer
6	Top Data Science Oy/Ltd.	Finland	Morpho, Inc.	Rest of World	September	Trade buyer
7	Inovia group AB	Sweden	Verdane Capital Advisors AS	Nordics	September	PE - platform
8	EPIserver AB	Sweden	Insight Venture Partners LLC	US / Canada	September	PE - platform
9	CCP hf.	Iceland	Pearl Abyss Corp.	Rest of World	September	Trade buyer
10	C&B Systemer A/S	Denmark	VIA Equity A/S	Nordics	September	PE - platform
11	Nautisk Forlag AS	Norway	StormGeo AS	Nordics	September	PE - add on
12	Revide AB	Sweden	Novax AB	Nordics	September	PE - platform
13	Zisson AS (70% Stake)	Norway	Verdane Capital Advisors AS	Nordics	September	PE - platform
14	Penetrace AS (70% Stake)	Norway	Verdane Capital Advisors AS	Nordics	September	PE - platform
15	ArcCore AB	Sweden	Vector Informatik GmbH	Rest of Europe	August	Trade buyer
16	caseon.dk ApS	Denmark	Adelis Equity Partners AB	Nordics	August	PE - add on
17	Bookbites A/S	Denmark	Jan Gaardboe Jensen (Private Investor)	Nordics	August	PE - platform
18	Aditro Public Oy	Finland	Visma Group	Nordics	August	Trade buyer
19	Op5 AB	Sweden	ITRS Group Limited	Rest of Europe	August	Trade buyer
20	Teklatech A/S	Denmark	Synopsys, Inc.	US / Canada	July	Trade buyer
21	Wellbarrier AS	Norway	Schlumberger Limited	US / Canada	July	Trade buyer
22	Dogu AS	Norway	Spring Dogu Holding AS	Nordics	July	PE - platform
23	Yanzi Networks AB	Sweden	Sjatte AP-fonden; Pegasus Capital Advisors LP	US / Canada	July	PE - platform
24	Widespace AB	Sweden	Sellbranch AB	Nordics	July	Trade buyer
25	Compusoft AS	Norway	TA Associates Management, L.P.	US / Canada	July	PE - platform
26	Draupner Graphics A/S	Denmark	STMICROELECTRONICS NV	Rest of Europe	July	Trade buyer
27	Infomaker Scandinavia AB	Sweden	NEWSCYCLE Solutions, Inc.	US / Canada	July	Trade buyer
28	Livion Oy (Remote monitoring and analysis service business)	Finland	Envera Oy	Nordics	July	Trade buyer
29	Link Mobility Group ASA	Norway	ABRY Partners, LLC	US / Canada	July	PE - platform



# Nordhaven is the leading independent M&A finance advisor in the Nordic market

## NORDHAVEN IN SHORT

~30

Professionals

+400

Years experience

+260

Transactions advised

MEUR 10-100

Sweet spot deal value



## 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

Planning and execution of mergers and acquisitions, divestments and other corporate finance transactions are our core expertise.

### DEBT & CAPITAL ADVISORY

We give advice on our clients' debt and capital structures, negotiate and execute fundraising for companies executing their M&A transactions as well as for organic growth plans. We provide advice also at the time of distress.

### INCENTIVE ADVISORY

We advise in the design and implementation of tailored, equity-based long-term incentive plans that are linked to strategy execution and total returns to shareholders.

## CORE SECTOR EXPERTISE



## FAR-REACHING INTERNATIONAL NETWORK WITH 34 PARTNER OFFICES WORLD WIDE

Nordhaven has been the exclusive partner of Clairfield International in Finland, Sweden and Norway since 2012. Clairfield International have local partners in over 20 countries.

Through Clairfield International we have global connectivity, and foreign markets are our home markets.

**Together we are stronger.**





## HELSINKI

Eteläranta 12  
+358 207 613 910

## OSLO

Heyerdahls gate 1  
+47 215 070 00

## STOCKHOLM

Östermalmstorg 1  
+46 85 025 6700

# APPENDIX 1: FULL SELECTION OF INTERNATIONAL SOFTWARE COMPANIES

## EV/ SALES

Revised selection of international companies due to recent stock listings and developments in the software market

	2017A	2018E
Workday	13,8x	10,7x
Adobe Systems	17,6x	14,2x
Autodesk	16,8x	13,7x
ServiceNow	17,3x	12,9x
GuideWire	10,8x	9,5x
Salesforce	11,6x	9,2x
Dassault Systems	9,8x	9,2x
Intuit Inc	9,7x	8,7x
Ultimate Software	10,3x	8,5x
Tableau Software	9,1x	8,1x
Check Point Software	8,9x	8,7x
Red Hat	7,0x	6,9x
Microsoft	7,4x	6,4x
Vmware	6,9x	6,2x
eGain Corporation	3,4x	3,2x
Cornerstone Ondemand	6,5x	6,0x
Enghouse Systems	6,1x	5,8x
Citrix	5,5x	5,3x
Constellation Software	6,0x	5,0x
SAP	5,7x	5,4x
Oracle	4,7x	4,7x
Cerner	4,0x	3,8x
Sage Group	4,0x	3,7x
Nuance Communications	3,6x	3,4x
Symantec Corporation	3,2x	3,3x
Progress Software	3,9x	3,9x
<b>Median</b>	<b>6,9x</b>	<b>6,3x</b>