



**NORDHAVEN**  
CORPORATE FINANCE



# Quarterly Software Report

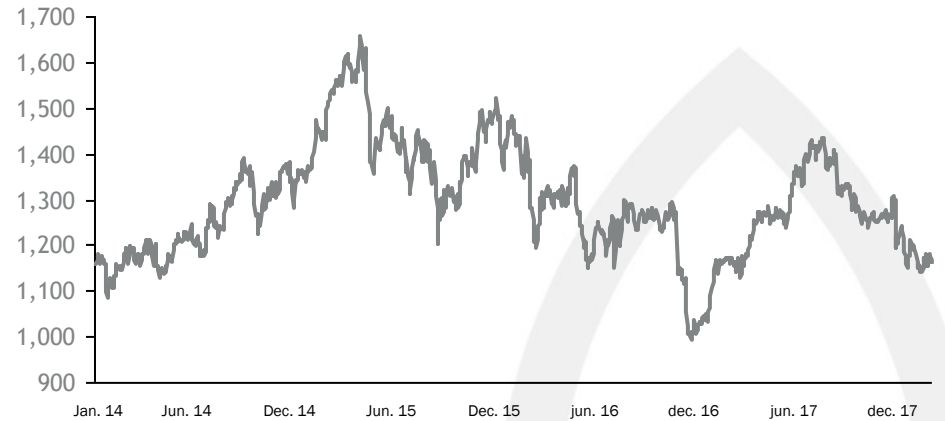
Q4 2017

# 21 TRANSACTIONS IDENTIFIED IN Q4/17 (19 IN Q4/16) – TOTAL OF 95 TRANSACTIONS IN 2017 (80 IN 2016)

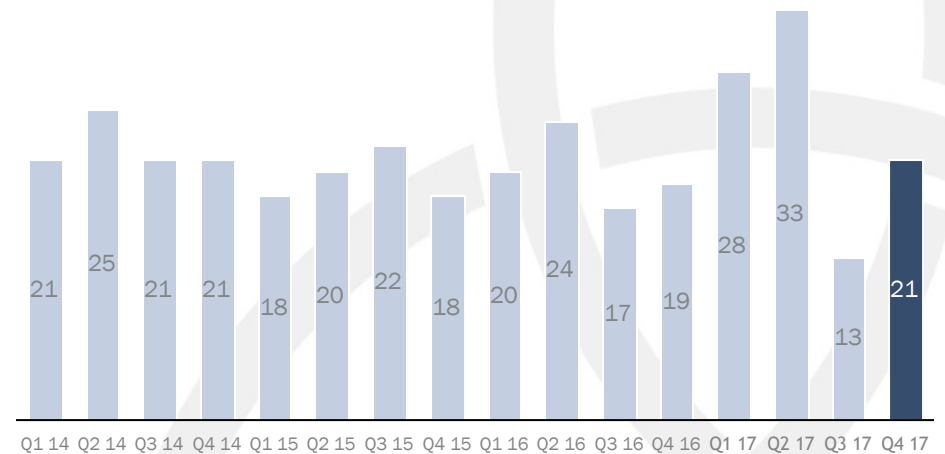
## EXECUTIVE SUMMARY

- As we projected after the disappointing Q3, the market did return to a growth path in Q4 with a total of 21 software transactions, 2 more than Q4/16.
- This brought the total for the year to 95 transactions, up 20 % from the previous year.
- Also this year the OMX Nordic 40 index ended the year on a sad note. The root cause is again to be found outside of the software space, with companies like Nokia dropping about 20 % and Acando being down about 10 %, while software companies did a much better showing with f.ex. Basware being up 15 %.
- As a result of the limited impact of software in the Nordic Tech Index, Nordhaven has decided to introduce our own Nordic software index, which will be launched in the Q1/2018 report.
- Quite surprisingly (and probably by chance...) there were no deals announced in Denmark in the quarter, while Sweden again topped the list with 10 deals. Norway had 8 and Finland 3.
- Private equity buyers were back in the drivers seat in the quarter, completing 12 of the 21 deals.
- Nordic buyers dominated in Q4 with 15 of the 21 deals, partially driven by private equity.
- DISCOUNT GAP:** As we have projected, the discount gap between the traditional and the cloud-born companies has now been closed, as both categories are now priced at 6.1 x Revenue. Consequently, we will merge the international software companies going forward into one group.
- The Nordic discount is now 40 % compared with international software companies. This should imply transaction willingness among industry trade buyers, or upside potential for PE in taking the Nordic companies “outside their comfort zone”...
- Please do not hesitate to provide us with feedback on this report and interesting perspectives on the Nordic software players.
- We wish all of you good luck in the Olympic Games! Our estimate is that there will be more Norwegian medals in the Olympics than the number of software transactions in Q1/2018. If the opposite is true, the software M&A market will be very busy...

NASDAQ OMX TECHNOLOGY INDEX: Jan 14 – Dec 17



DEVELOPMENT IN NUMBER OF IDENTIFIED TRANSACTIONS

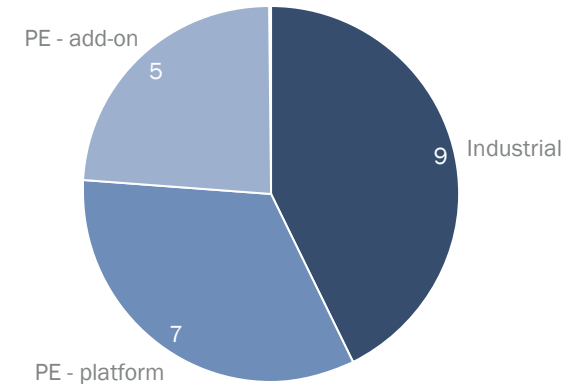


# OVERVIEW OF Q4 2017 NORDIC SOFTWARE TRANSACTIONS

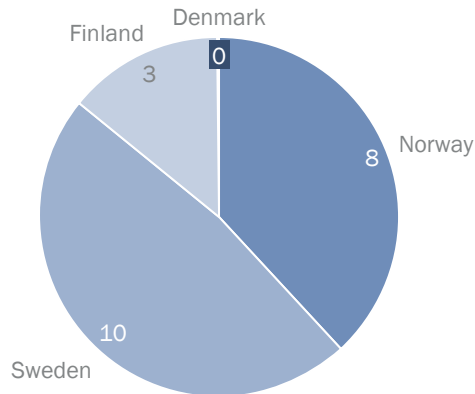
## COMMENTS

- Nordhaven has identified 21 Nordic Software transactions in Q4 2017
- Approximately 40% of the companies were acquired by industrials which is lower than the historical average
- Strong activity from Private Equity, with platforms investments representing 1/3 of the deals and add-on investments 1/4 of the deals
- Nearly 50% of the targets were based in Sweden and nearly 40% were based in Norway – modest activity in Finland and no deals announced in Denmark
- Nearly 3/4 of the companies are sold to entities in the Nordics, thus limited activity from companies outside of Europe

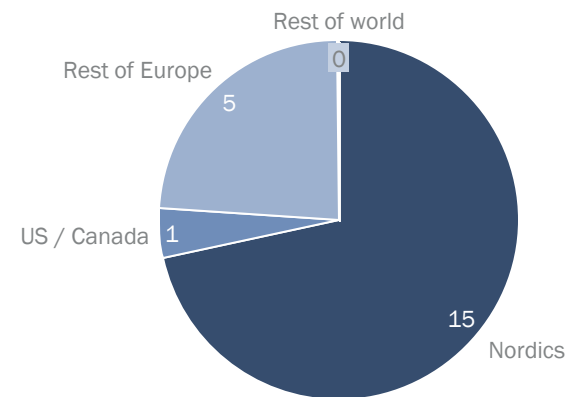
## BREAKDOWN OF DEALS BY EXIT TYPE



## BREAKDOWN OF DEALS BY TARGET'S COUNTRY

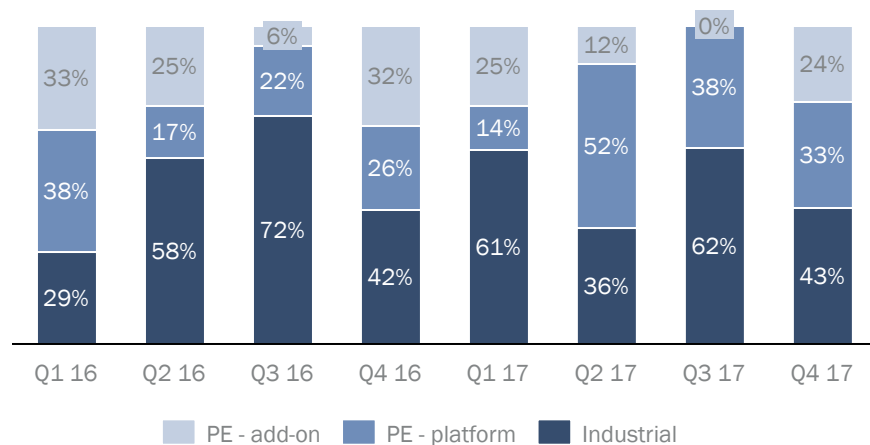


## BREAKDOWN OF DEALS BY ACQUIROR'S REGION

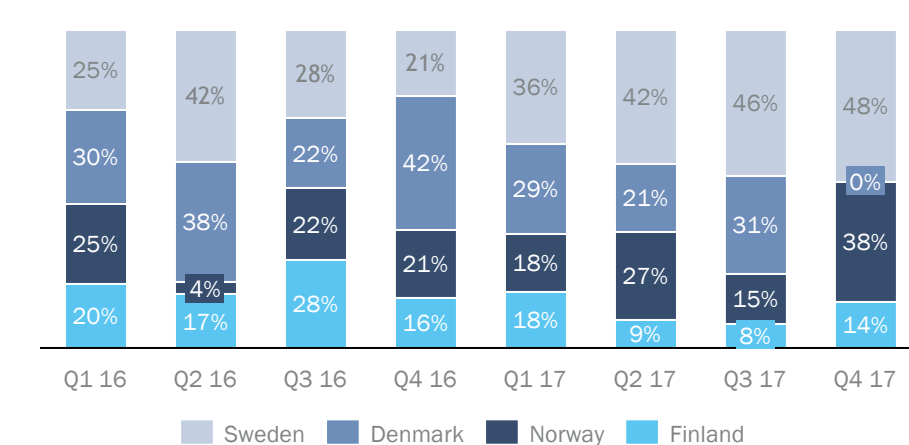


# QUARTER-BY-QUARTER DEVELOPMENT IN NORDIC SOFTWARE TRANSACTIONS

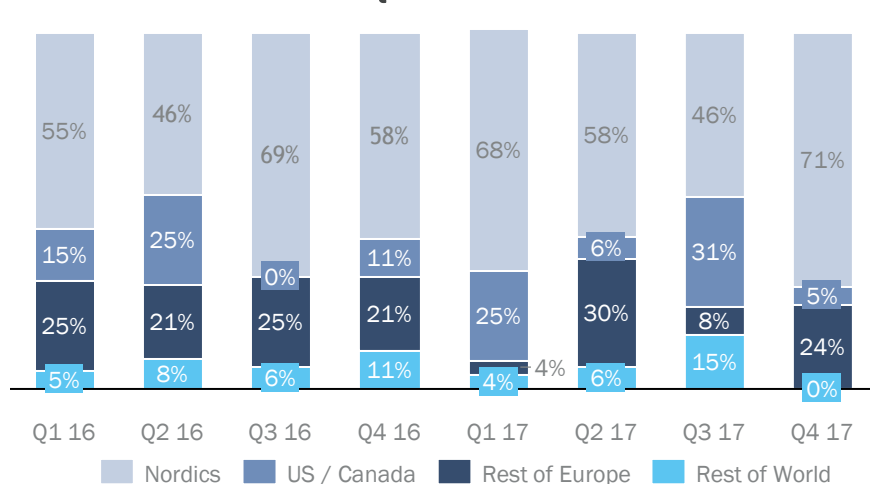
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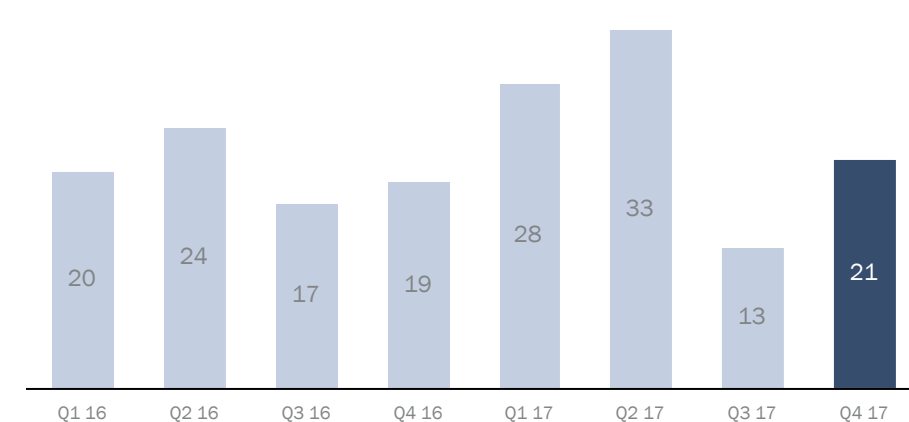
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## BREAKDOWN OF DEALS BY ACQUIROR'S REGION

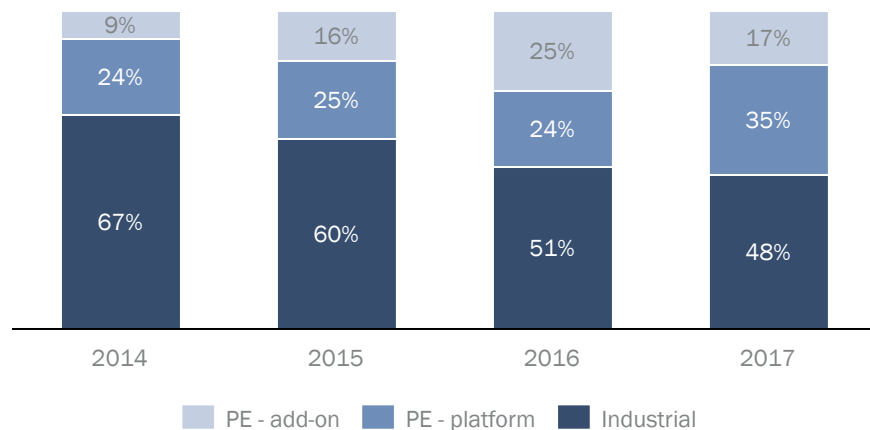


## NUMBER OF TRANSACTIONS

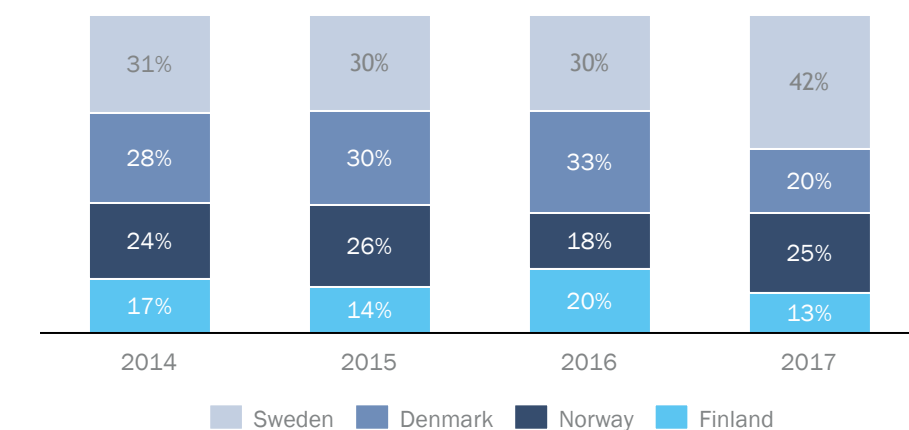


# ANNUAL DEVELOPMENT IN NORDIC SOFTWARE TRANSACTIONS

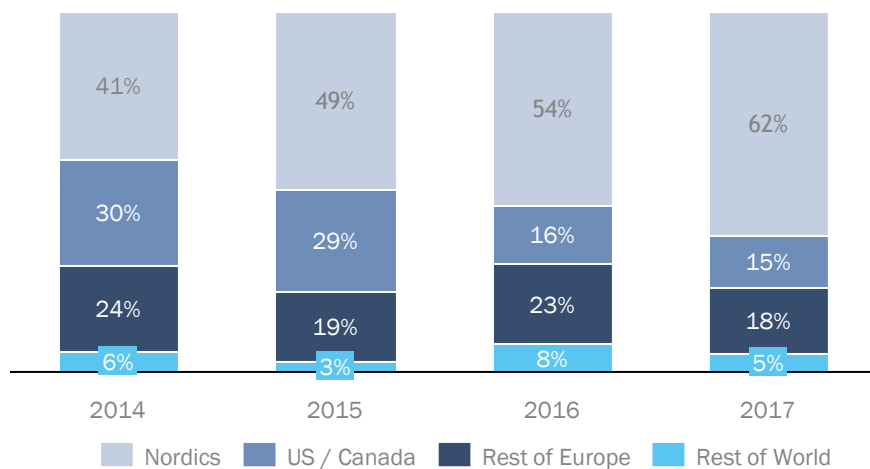
## BREAKDOWN OF DEALS BY EXIT TYPE



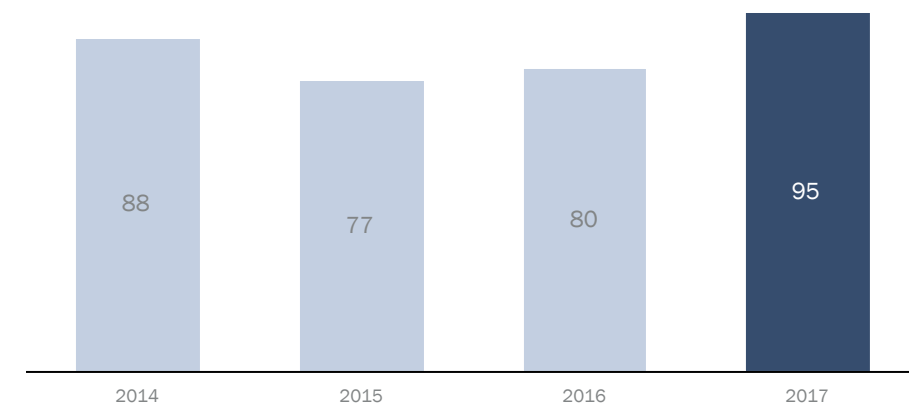
## BREAKDOWN OF DEALS BY TARGET'S COUNTRY

















































## BREAKDOWN OF DEALS BY ACQUIROR'S REGION



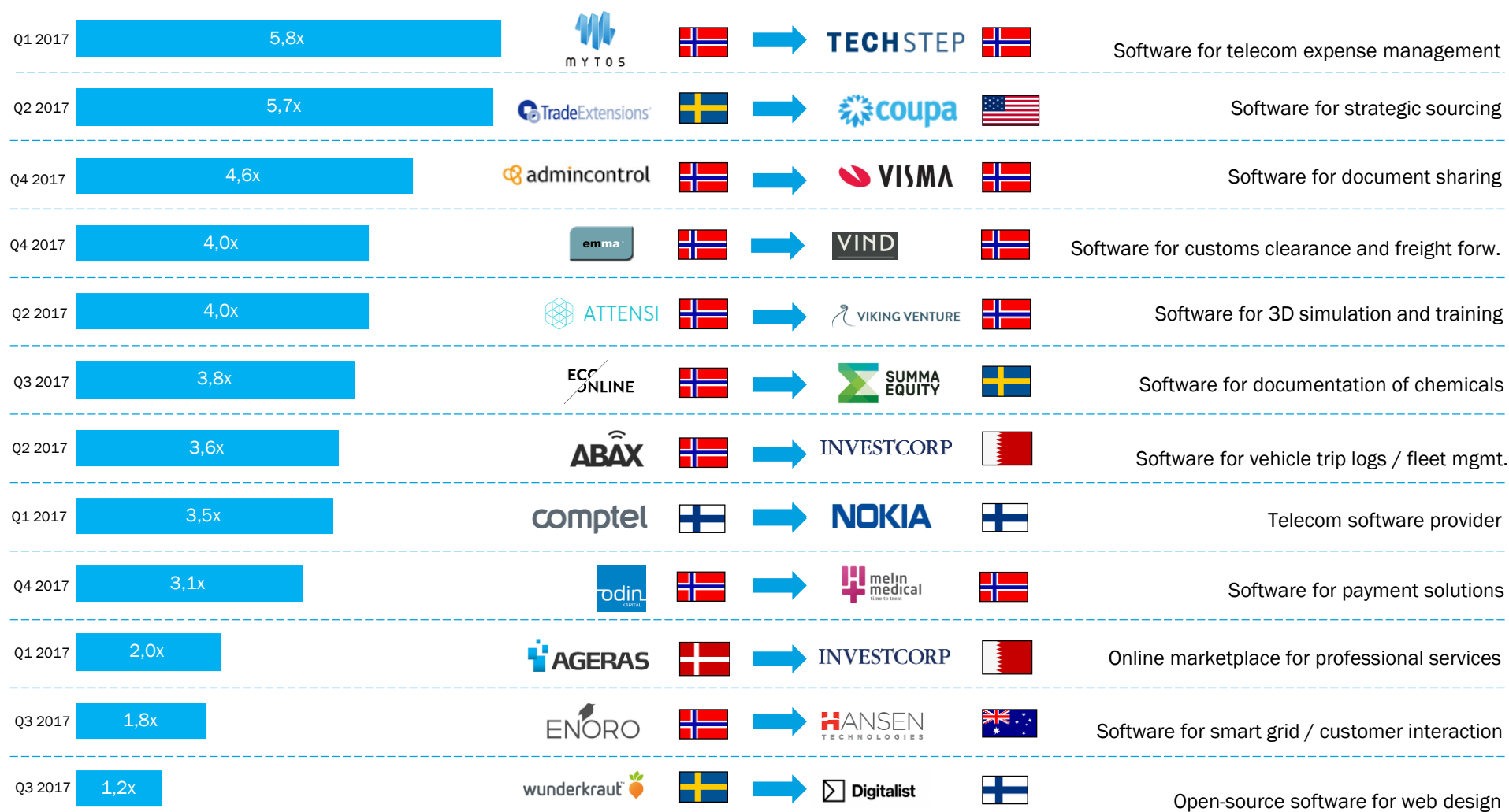
## NUMBER OF TRANSACTIONS



## NOTABLE TRANSACTIONS DURING Q4 2017

TARGET			ACQUIROR		REVENUE (MEUR)	SELLER
 admincontrol	Document sharing software		 VISMA		 9	Herkules Capital
<b>PROPENTUS</b>	Enterprise software		 Cygate		 6	Founders
 adra	Financial reconciliation software		 trintech		 8	 VIA equity  Pod Investment
 odin	Finance and payment solution software		 melin medical time to treat		 4	Founders
 Soundtrap®	Music software		 Spotify		0.1	 Industrifonden
 emma	Application manager for Freight Forwarders		 VIND		 4	Founders
<b>easypark</b>	Mobile parking and payment solutions		 VITRUVIAN PARTNERS		 33	 verdane capital
 Milvik	Micro-life insurance products for mobile operators		 Allianz		 1	 LEAPFROG INVESTMENTS
 VISUAL COMPONENTS	Software solutions for 3D simulation		<b>KUKA</b>		 5	Founders

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

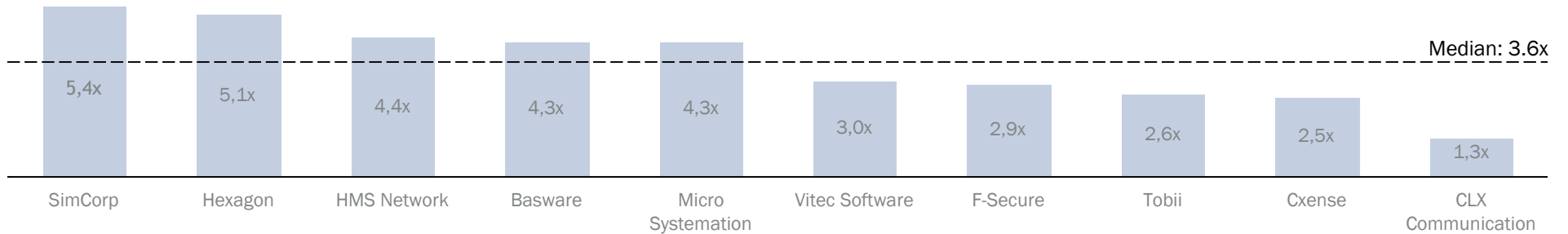


# OBSERVED TRADING MULTIPLES

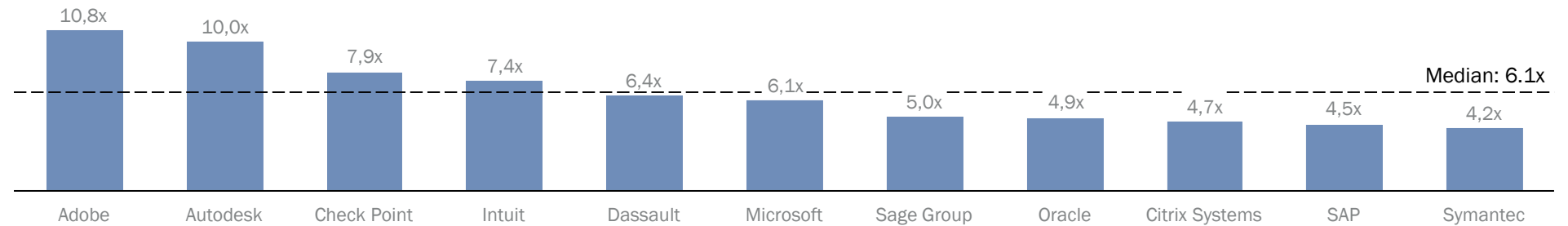
- DISCOUNT GAP FOR TRADITIONAL VS CLOUD ELIMINATED, WHILE NORDIC COMPANIES ARE STILL SIGNIFICANTLY LOWER

MEDIAN EV / SALES - CURRENT FINANCIAL YEAR (2018E)

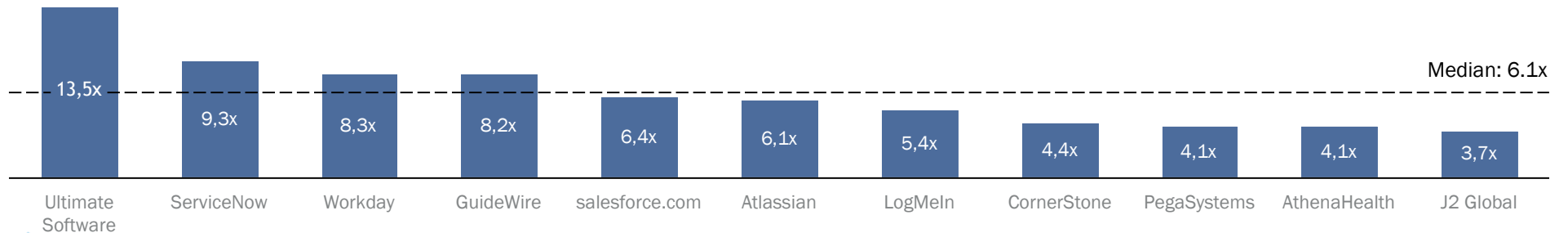
## NORDICS



## INTERNATIONAL – «TRADITIONAL SOFTWARE»



## INTERNATIONAL – CLOUDBASED/SAAS





## LIST OF IDENTIFIED NORDIC SOFTWARE TRANSACTIONS IN Q4 2017

#	Target	Target Country	Bidder	Bidder Country	Date	Exit type
1	Admincontrol	Norway	Visma	Norway	October	PE - platform
2	FEO Media	Sweden	MAG Interavtive	Sweden	October	Industrial
3	Computational Industry Technologies	Norway	DNV Global	Norway	October	Industrial
4	Adfenix	Sweden	Industrifonden	Sweden	October	PE - platform
5	Adra Software	Norway	Trintech	US	November	PE - add-on
6	Databyrån for infobehandling	Sweden	CSAM Health	Norway	November	PE - add-on
7	Konsulent Data & Restaurant	Norway	OpenSolutions Nordic	Sweden	November	PE - add-on
8	Tacton Systems	Sweden	Kirk Kapital / GRO Capital	Denmark	November	PE - platform
9	Vidispine	Sweden	Arvato Systems	Germany	November	Industrial
10	Odin Kapital	Norway	Melin Medical	Norway	November	Industrial
11	Soundtrap	Sweden	Spotify	Sweden	November	PE - add-on
12	Digpro	Sweden	Litorina	Sweden	November	PE - platform
13	IStone	Sweden	Columbus	Denmark	November	Industrial
14	Propentus	Finland	Cygate	Finland	November	Industrial
15	Emma Systems	Norway	Vind Lv	Norway	December	PE - platform
16	Easy Park	Norway	Vitruvian Partners	UK	December	PE - platform
17	Maritech Systems	Norway	Broodstock	Norway	December	PE - platform
18	Atollic	Sweden	STMicroelectronics	Netherlands	December	Industrial
19	Milvik AB (minority stake)	Sweden	Allianz	Germany	December	Industrial
20	Visual Components	Finland	KUKA AG	Germany	December	Industrial
21	Finnpos Systems	Finland	OpenSolutions Nordic	Sweden	December	PE - add-on

# We are the leading corporate finance advisor in the Nordic market

40

Professionals at  
your service

500+

Years of combined  
experience

300+

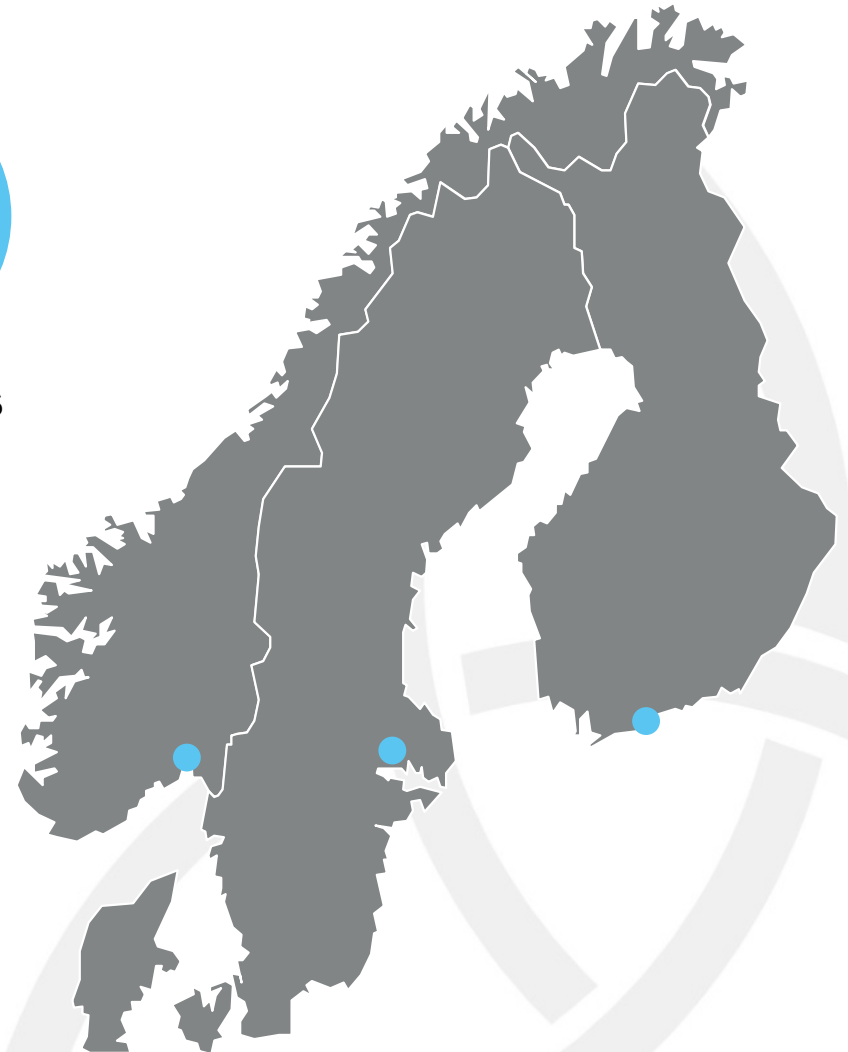
Transactions  
advised

150+

Equity-based  
incentives designed

34

International  
partner offices

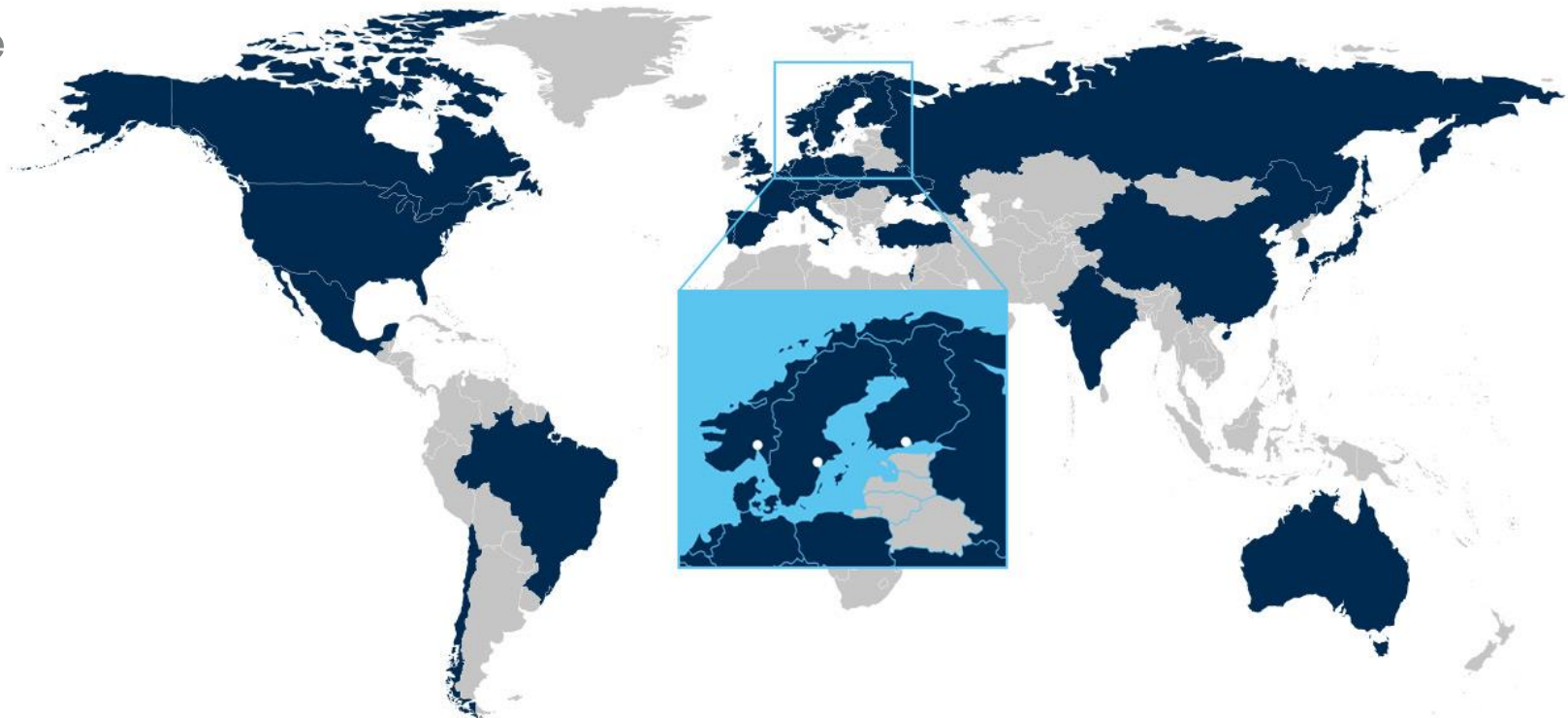


# International network - liste

Nordhaven Corporate Finance has been the exclusive partner of Clairfield International in Sweden, Finland and Norway since 2012.

Through Clairfield International, we have local partners in more than 20 countries around the world.

**Together we are stronger.**



# Nordhaven team





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