



SILVERPEAK

M&A + FINANCING ADVICE

fieldfisher

Current trends in tech exits and financing

London, 25 April 2023

Agenda

Trends in Tech M&A and financing

Pietro Strada (Silverpeak)

Deal making in practice: the view from the entrepreneur and lawyer

Jennifer Sundberg (Board Intelligence)
Thomas Colmer (Fieldfisher)

Panel and Q&A

Nick Jones (Silverpeak)
Thomas Colmer (Fieldfisher)
Pietro Strada (Silverpeak)
Jennifer Sundberg (Board Intelligence)
Yasemin Arik (Technology investor and board director)

Networking



SILVERPEAK

M&A + FINANCING ADVICE

Trends in Tech M&A and financing

Pietro Strada
Managing Partner

Our connections, ability and focus will deliver the best outcomes for your business

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

30+ team concentrated in a single office

300+ completed deal experience

60%+ transactions with North American counterparties in the last 3 years







A SELECTION OF INVESTORS AND ACQUIRERS ON SUCCESSFUL TRANSACTIONS



SECTOR COVERAGE












SOFTWARE



-  Application software
-  Applied AI
-  Data analytics
-  Infrastructure software
-  RPA /LowCode
-  Vertical software
 - › Construction
 - › Edtech
 - › Fintech
 - › Martech
 - › Mobility
 - › Sustainability
 - › Travel






DEEPTECH



-  Additive manufacturing
-  Algorithms/AI & ML
-  AR/VR
-  High perf. computing
-  Medtech
-  Networking and IoT
-  NewSpace
-  Photonics
-  Robotics and Computer Vision
-  Security software
-  Semiconductors

DIGITAL SERVICES



-  Data services
-  IT consulting
-  Managed services
-  Marketplaces
-  Telecom services

Silverpeak's three pillars for success

PASSION FOR TECHNOLOGY

A high energy team of technology enthusiasts with the creativity and courage to overcome any challenges

ABILITY TO ARTICULATE YOUR FULL VALUE

Deep business and product understanding focused on discovering the full strategic value and demonstrating this to the right acquirers and investors

EXCEPTIONAL GLOBAL EXECUTION

The experience and connections to execute your transaction flawlessly, with global reach, within a process built just for you



Selected recent transactions

M&A

AU | DE
December 2022



Travel P2P marketplace

€30m acquisition of



UK | US
November 2022



Hotel technology platform driving direct bookings

Sale to



UK | UK
March 2022




RegTech SaaS solution

Sale to




UK | UK
October 2021



Data extraction & document automation SaaS ML platform

Sale to



NO | CA
September 2021



Project management and risk analysis software

Sale to



NL | US
September 2021




Application testing software

Majority sale to



UK | SE
April 2021




Construction workforce management platform & SaaS

Sale to



FINANCING

EU | UK | FR
April 2023



High-end CPU for HPC and data centres

€90m Series A financing



CH | PL | LU | US
December 2022



In orbit servicing and space debris removal

\$29m Series A investment by



UK | UAE | NO | US
October 2022



Autonomous subsea robotics technology

\$26m+ Series B investment by



IT | US
May 2022



Additive manufacturing services and proprietary composite materials

Investment by



IT | WW
January 2022



In-space services and satellite transport

€51.5m pre-SPAC convertible bond by



& OTHER INVESTORS

UK | UK
June 2021



Trading and automation SaaS for renewable energy

£20m investment led by



PT | US
September 2020



Venture capitalist

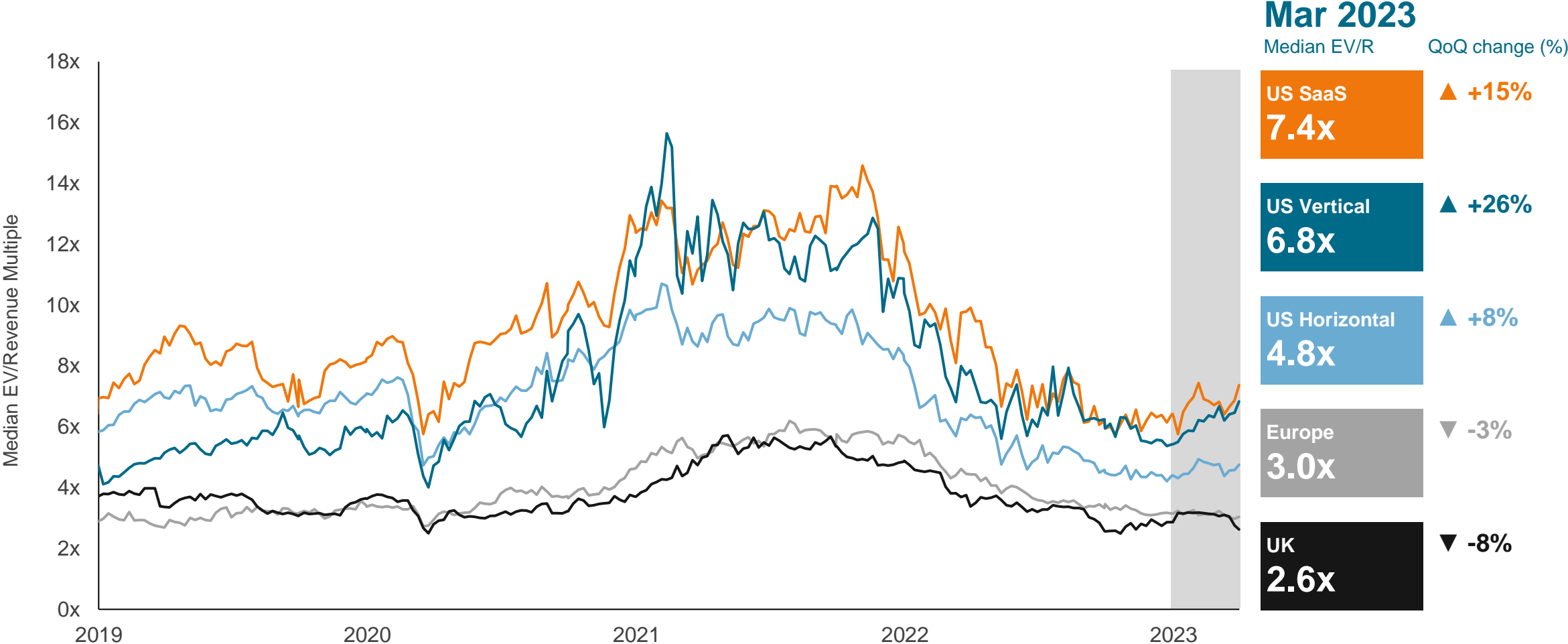
Continuation fund led by



Incl. Outsystems
Low-code SaaS leader

As we enter 2023, we see further stabilisation and signs of recovery in the US






LISTED SOFTWARE VALUATION METRICS US AND EU: MEDIAN EV/REVENUE MULTIPLES 2019 - 2023













Source: CapitalIQ | Multiples as at 31/03/2023











The top ten largest US software companies are outperforming those in Europe and UK











LISTED SOFTWARE VALUATION METRICS US AND EU: TOP TEN COMPANIES BY MARKET CAP

Europe		
Company	Market Cap (US\$ bn)	EV/Revenue
 SAP	\$147	4.55x
 DASSAULT SYSTEMES	\$54.1	8.94x
 adyen	\$49.1	4.35x [28.9x]
 AMADEUS	\$32.4	6.72x
 WORLDLINE	\$12.0	3.30x
 NEMETSCHKE GROUP	\$7.94	9.10x
 temenos	\$4.98	5.97x
 Fortnox	\$4.18	33.84x
 SUSE	\$3.18	5.38x
 TeamViewer	\$3.01	5.72x

UK		
Company	Market Cap (US\$ bn)	EV/Revenue
 Sage	\$9.80	4.44x
 wise	\$6.89	7.31x
 kape ²	\$1.33	2.31x
 Itg	\$1.26	2.59x
 Alfa ^A	\$0.50	4.19x
 cerillion	\$0.41	9.74x
 accesso	\$0.36	2.13x
 dotdigital	\$0.35	3.61x
 idox	\$0.35	4.38x
 TRACSIS	\$0.33	3.71x

US Vertical		
Company	Market Cap (US\$ bn)	EV/Revenue
 SYNOPSYS ¹	\$58.8	11.26x
 cadence ¹	\$57.4	16.13x
 BLOOMBERG	\$41.4	2.40x
 Ansys	\$28.9	14.12x
 tyler	\$14.8	8.47x
 Unity	\$12.2	9.81x
 samsara	\$10.4	14.93x
 PROCORE ¹	\$8.78	11.52x
 WEX ¹	\$7.93	3.63x
 CCG	\$5.61	7.85x

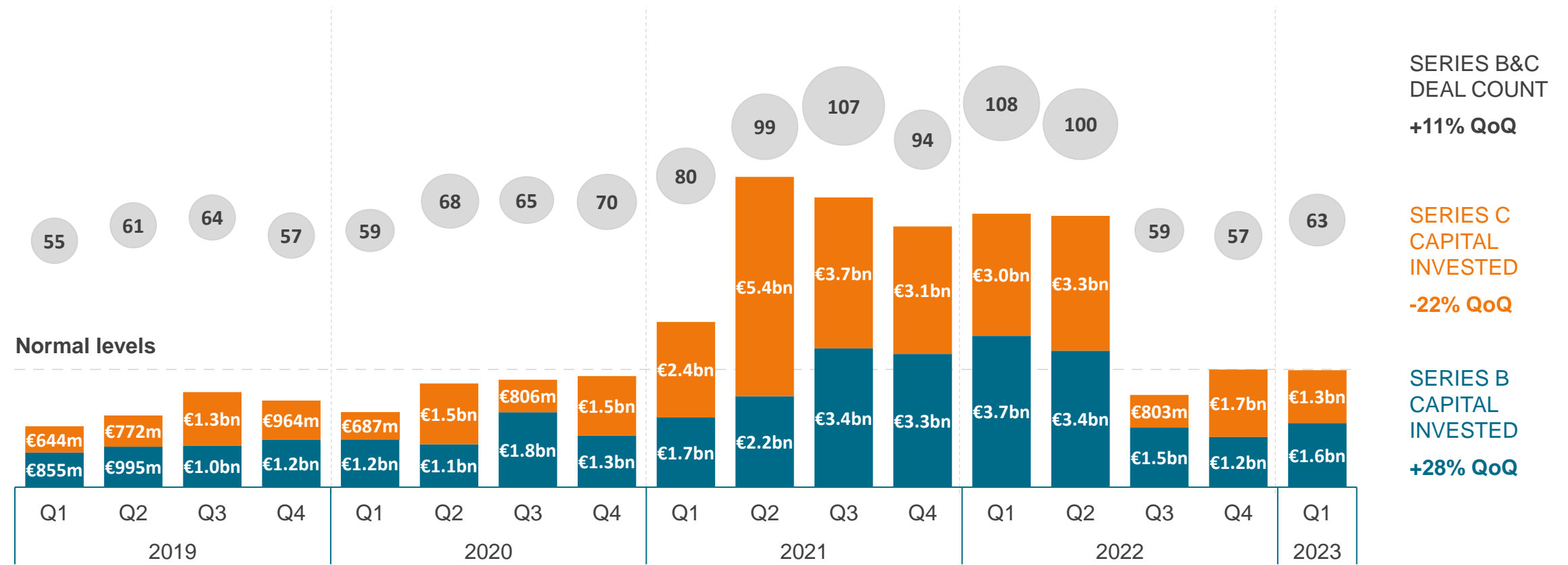
US Horizontal		
Company	Market Cap (US\$ bn)	EV/Revenue
 Microsoft	\$2,146	10.41x
 VISA	\$464	15.57x
 ORACLE	\$251	6.97x
 salesforce	\$200	6.45x
 Adobe	\$177	9.74x
 INTUIT	\$125	9.55x
 servicenow	\$94.3	12.74x
 ADP	\$92.2	5.47x
 PayPal	\$85.9	3.15x
 fiserv.	\$71.0	5.25x

US SaaS ¹		
Company	Market Cap (US\$ bn)	EV/Revenue
 VISA	\$464	15.57x
 ORACLE	\$251	6.97x
 Adobe	\$177	9.74x
 INTUIT	\$125	9.55x
 servicenow	\$94.3	12.74x
 SYNOPSYS ¹	\$58.8	11.26x
 cadence ¹	\$57.4	16.13x
 vmware ¹	\$53.5	4.48x
 FORTINET	\$52.1	11.54x
 AUTODESK	\$44.7	9.03x

Source: CapitalIQ | Multiples as at 31/03/2023
 Notes: ¹US SaaS is a subset of US Vertical and Horizontal, companies require gross margin above 75% to be classified as US SaaS; Europe excludes UK; ²Calculated using undisturbed share price as at 12/02/23

Series B&C Q1 rounds at the new norm level since Q3-2022

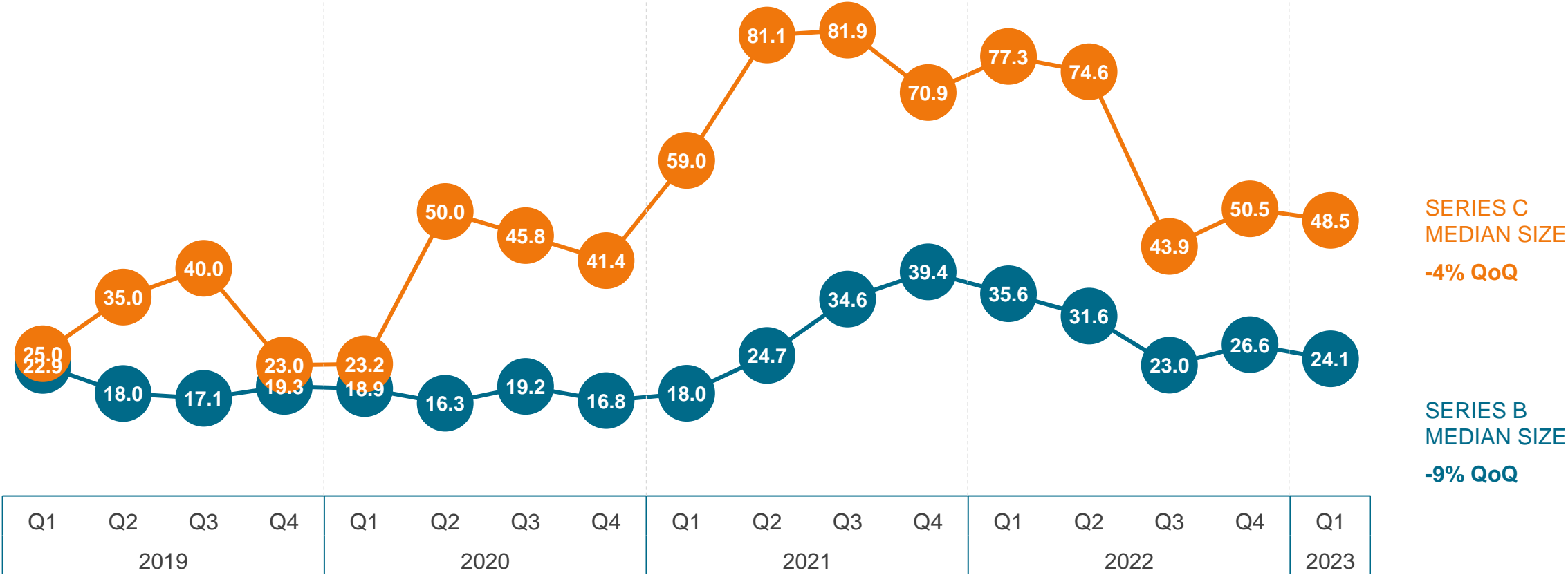
SERIES B&C TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2019 – Q1 2023



Source: Pitchbook | Deals below €5m have been excluded | Data as of 06/04/2023

Median deal size stabilises at pre-covid level in Q1-2023

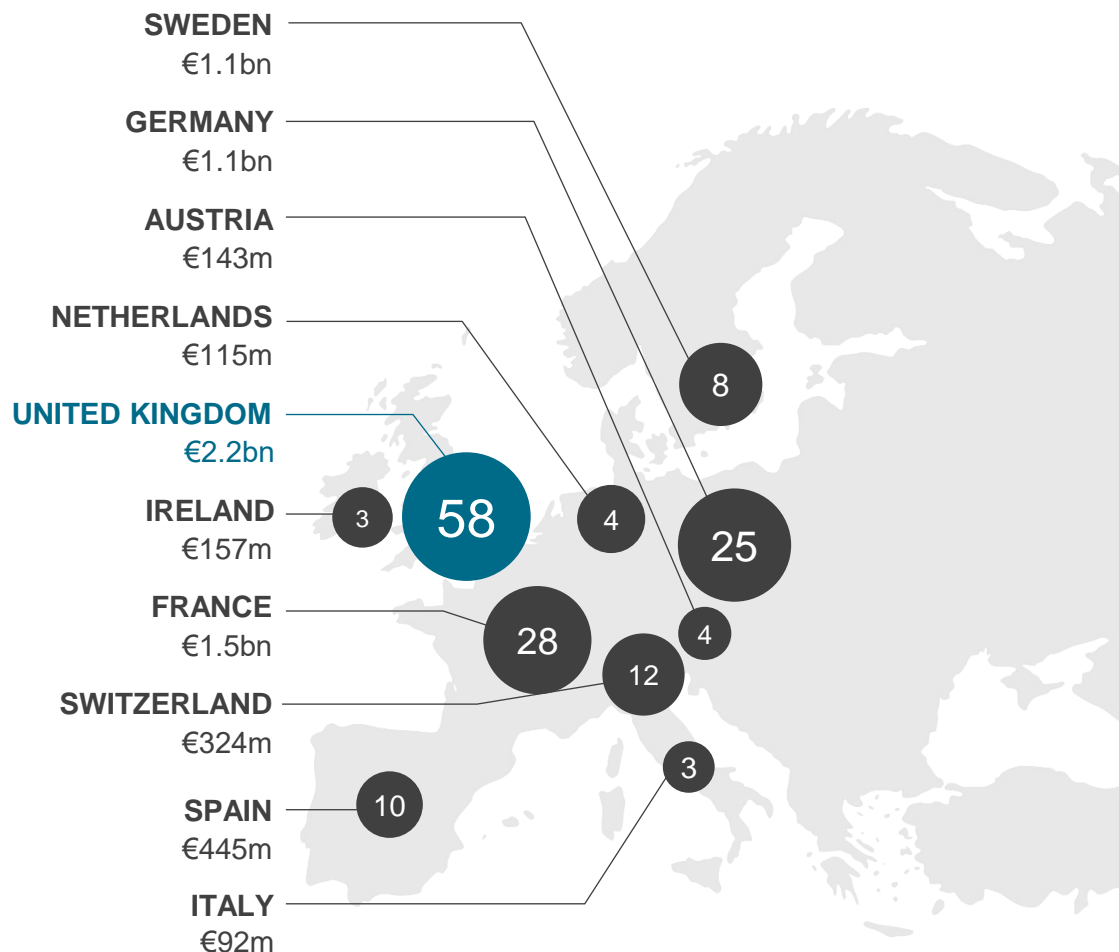
MEDIAN SIZE OF SERIES B&C ROUNDS, 2019 – Q1 2023



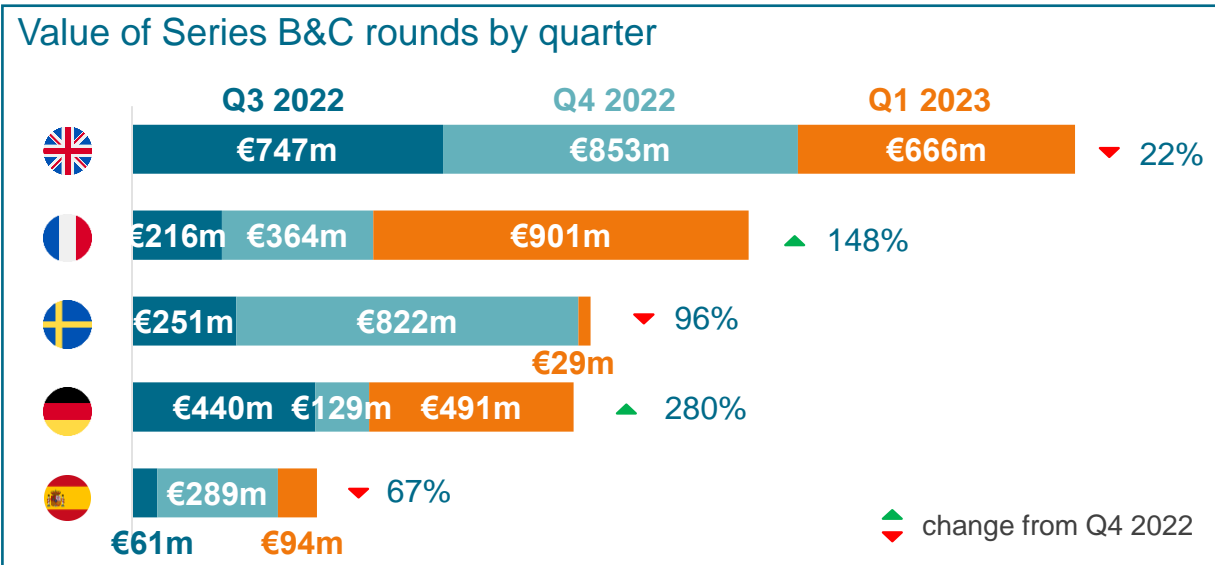
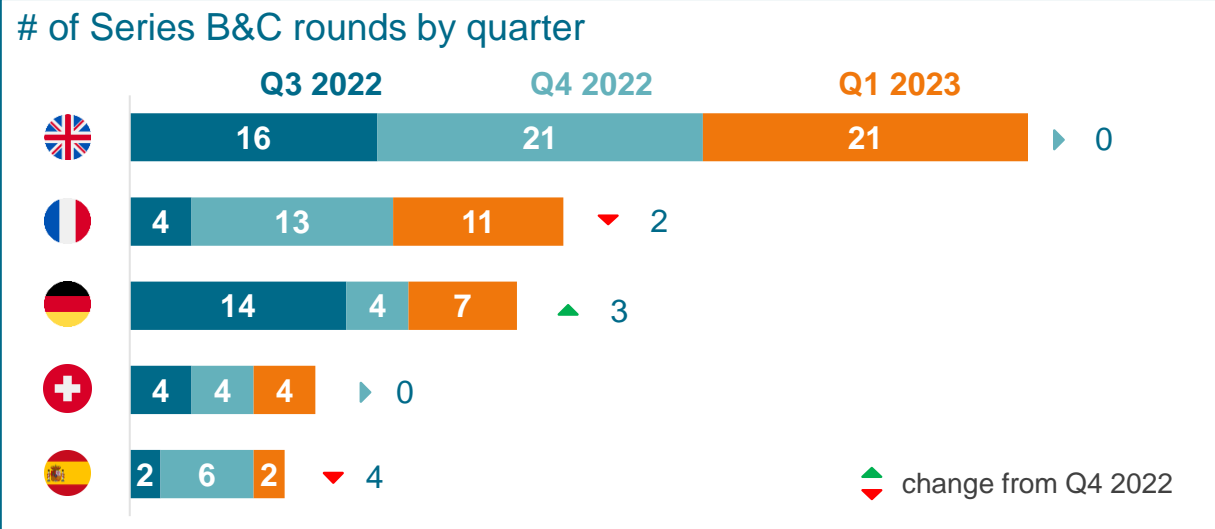
Source: Pitchbook | Deals below €5m have been excluded | Data as of 06/04/2023

The UK stays significantly ahead of other countries in Q1-23 Series B&C activity

SERIES B&C DEAL COUNT AND VALUE, Q3 2022 – Q1 2023










Source: Pitchbook | Deals below €5m have been excluded | Data as of 06/04/2023

















6/10 of the largest deals were concentrated in France and Sweden

LARGEST SERIES B&C ROUNDS Q3 2022 – Q1 2023

SERIES B

	>	 H2green steel	€190m Aug-22	CLEANTECH
	>	 HEM:B	€125m Feb-23	DIGITAL HEALTH
	>	 HOMA GAMES	€102m Oct-22	GAMING
	>	 GROPYUS	€100m Jan-23	CLIMATE TECH
	>	 PASQAL	€97m Jan-23	QUANTUM COMPUTING

SERIES C

	>	  einride	€484m Dec-22	AUTONOMOUS TRUCKS
	>	  Ledger	€461m ⁽¹⁾ Mar-23	CRYPTO-CURRENCY
	>	 VOLTA TRUCKS	€230m Feb-22	ELECTRIC TRUCKS
	>	  Genesis	€215m Jul-22	CAPITAL MARKETS SOFTWARE
	>	  MEWS	€177m Dec-22	AUTOMATION WORKFLOW SOFTWARE

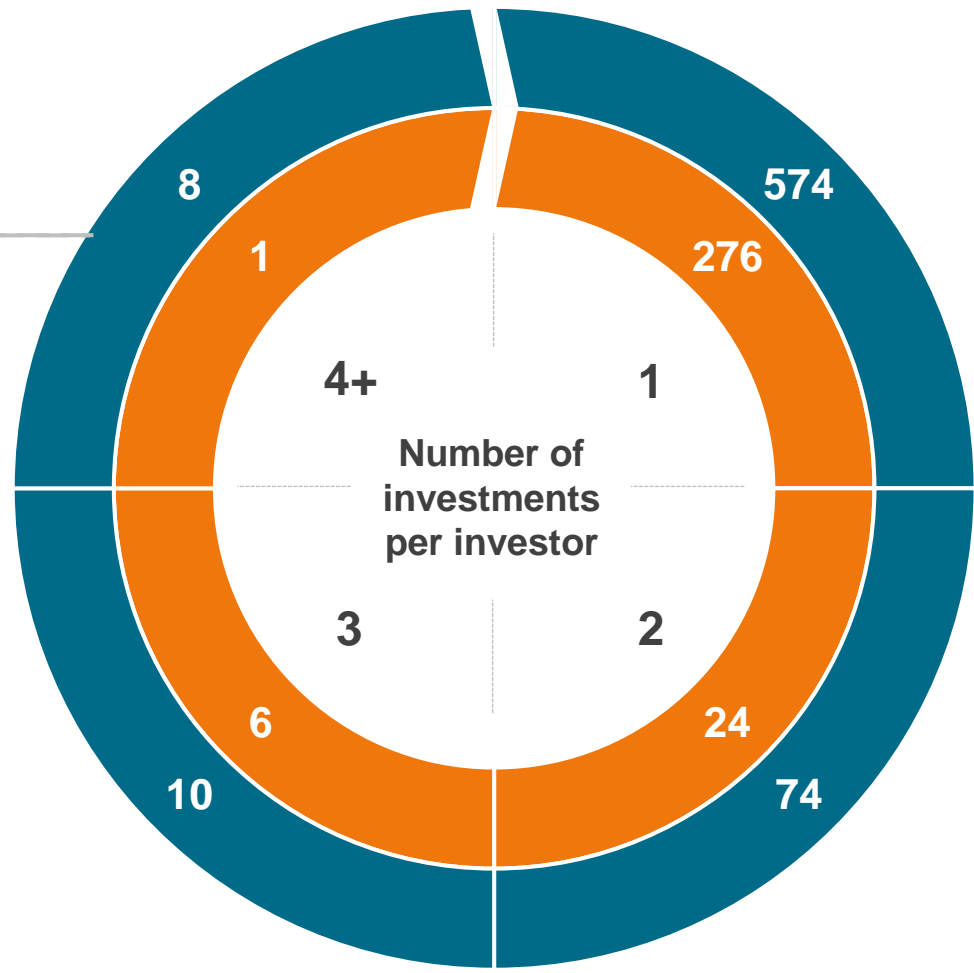
 2023 Rounds

Source: Pitchbook | Only lead investor logos included | Data as of 11/04/2023
 Note: (1) Series C extension of \$108m to total round size

There was a sizeable pool of Series B&C round investors...

666 PARTICIPANTS IN SERIES B ROUNDS AND 307 PARTICIPANTS IN SERIES C ROUNDS FROM Q3 2022 – Q1 2023

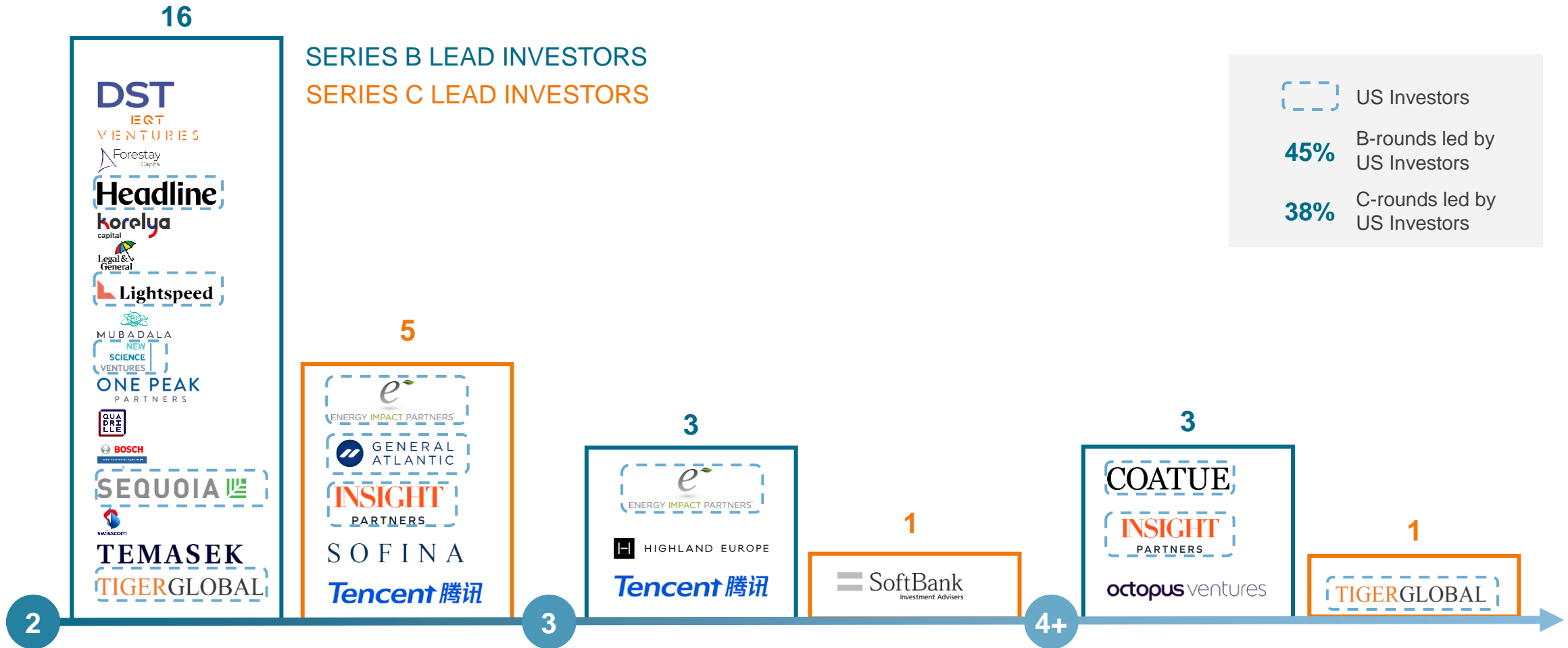
Series B investors	# of rounds
octopus ventures	8
bpi france	6
PLUG AND PLAY	6
European Innovation Council	5
Albion VC	4
Balderton.	4
EURAZEO	4
IQ CAPITAL	4
Series C investors	# of rounds
INSIGHT PARTNERS	4
US Investors	



Source: Pitchbook | Deals below €5m have been excluded | Data as of 11/04/2023 | Some investors will appear in both Series B and Series C

In H1 2022 US investors led 43% of rounds...

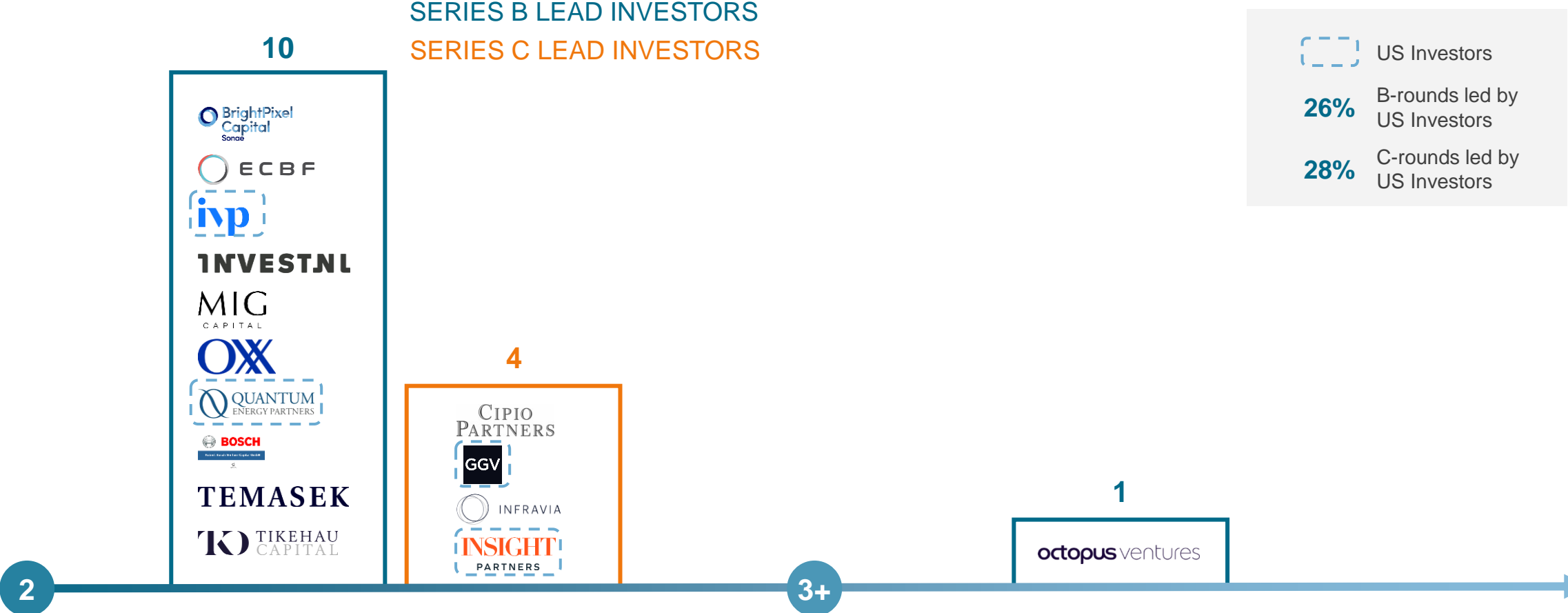
29 INVESTORS LED TWO OR MORE SERIES B & C ROUNDS FROM Q1 – Q2 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 11/04/2023 | Lead investors with 2+ deals only

... compared to only 27% in the last 9 months

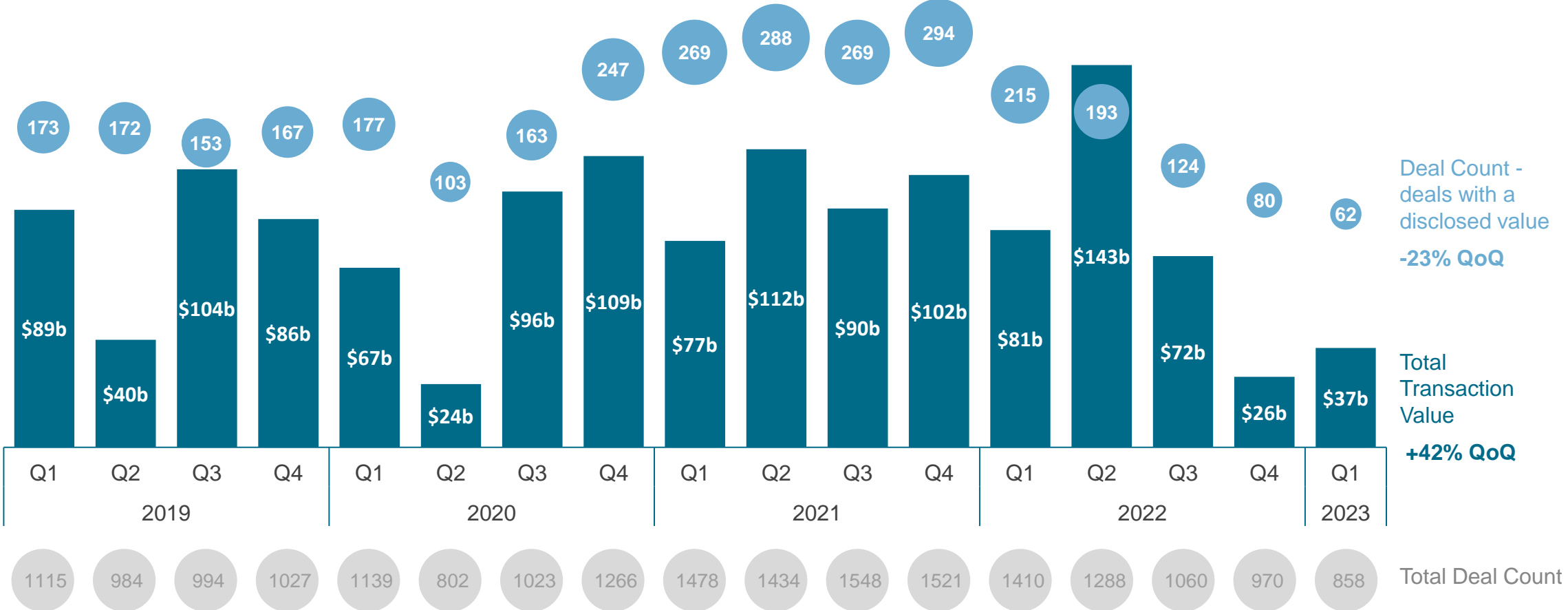
15 INVESTORS LED TWO OR MORE SERIES B & C ROUNDS FROM Q3 2022 – Q1 2023



Source: Pitchbook | Deals below €5m have been excluded | Data as of 11/04/2023 | Lead investors with 2+ deals only

European and North American Software M&A markets see an uptick in Q1

M&A TOTAL TRANSACTION VALUE AND DEAL COUNT, 2019 – Q1 2023

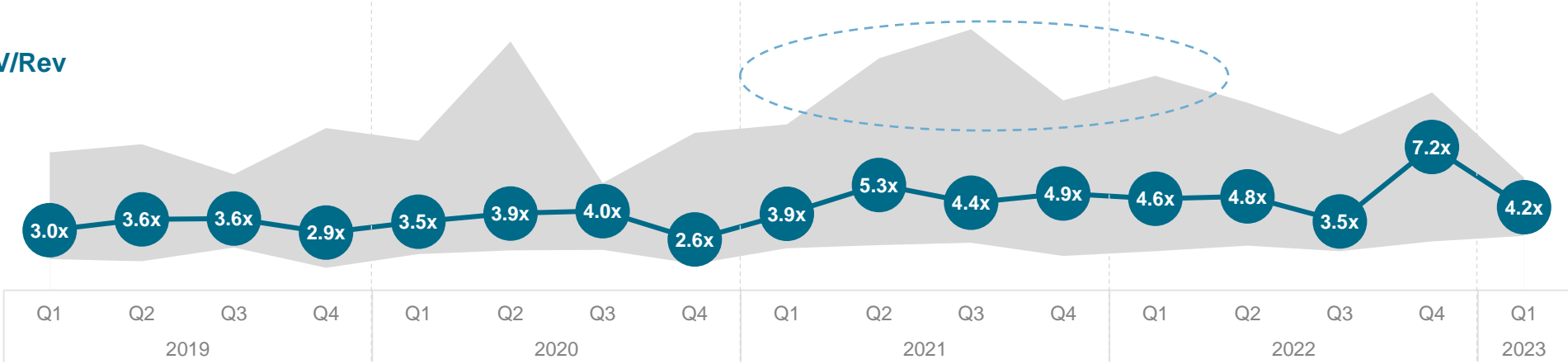


Source: CapitalIQ, Pitchbook. Only deals greater than \$5m shown here. \$ values shown are implied EV. Data as of 31/03/2023

Higher quartile revenue multiples in 2021 show prioritisation of topline growth

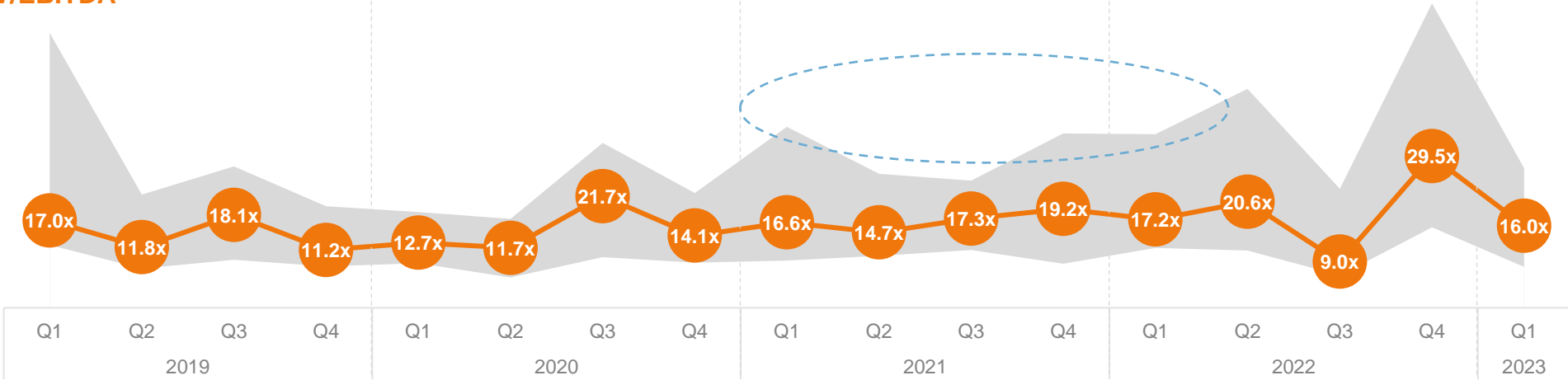
MEDIAN VALUATION MULTIPLES OF M&A TRANSACTIONS, 2019 – Q1 2023

EV/Rev



Median EV/Revenue Multiple
-42% QoQ

EV/EBITDA



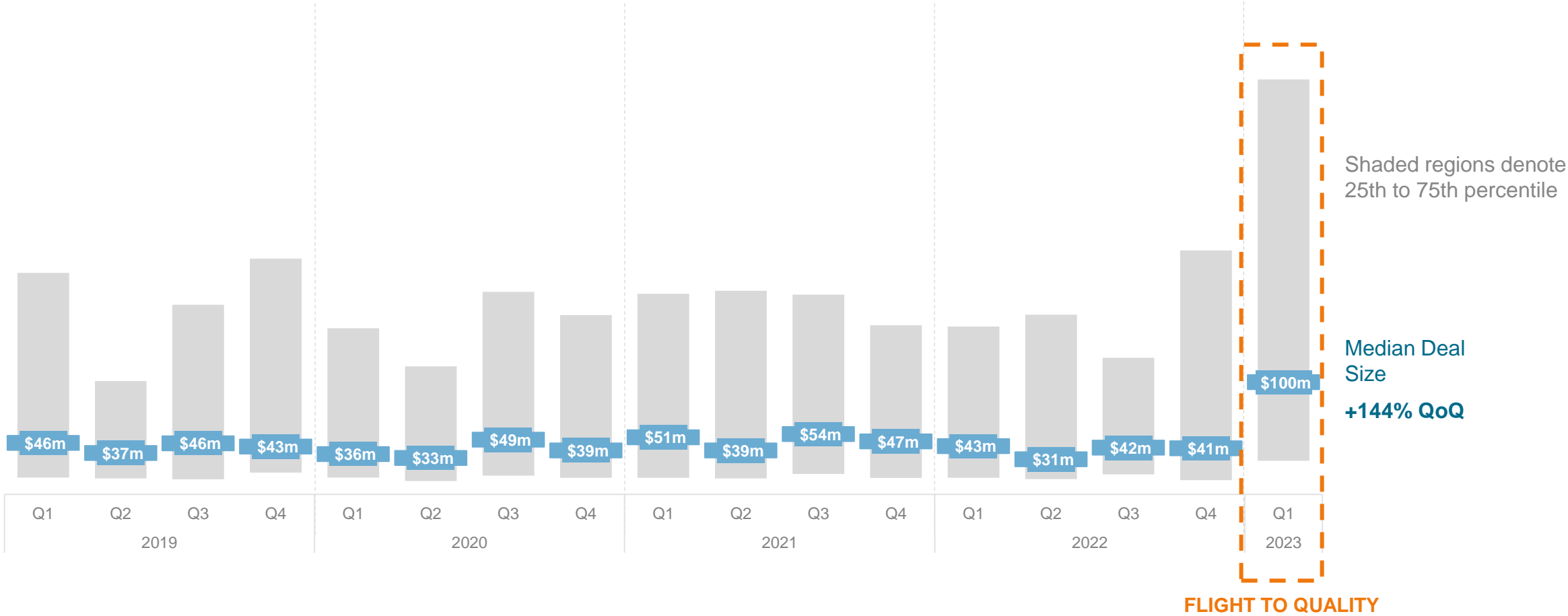
Shaded regions denote 25th to 75th percentile

Median EV/EBITDA Multiple
-46% QoQ

Note: Small sample size (5 deals) in Q4 2022 with disclosed EV/EBITDA multiples.
Source: CapitalIQ, Pitchbook. Only deals greater than \$5m shown here. Only deals with an EV/EBITDA multiples <100x shown here.

High quality assets are the first to be transacted after the market sell-off

QUARTERLY MEDIAN IMPLIED EV OF M&A TRANSACTIONS, 2019 – Q1 2023



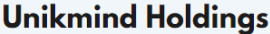












Source: CapitalIQ, Pitchbook. Only deals greater than \$5m shown here. Data as of 31/03/2023

US market first to open up to mega deals, driven by financial investors

LARGEST M&A TRANSACTIONS IN Q1 2023 BY GEOGRAPHY

TOP 5 DEALS IN EUROPE

	 CYBERSECURITY	>	 Unikmind Holdings	\$1,647m	13 th Feb
	 AI & ML	>	 BIONTECH	\$684m	10 th Jan
	 RETAIL SOFTWARE	>	 FUJITSU	\$426m	1 st Mar
	 INFRASTRUCTURE SOFTWARE	>	 cognizant	\$98m	6 th Jan
	 CAR-SHARING PLATFORM	>	 ViveLaCar	\$59m	17 th Feb

TOP 5 DEALS IN NORTH AMERICA

	 ENTERPRISE SURVEY SOFTWARE	>	 CPP Investments SILVER LAKE	\$10,901m	12 th Mar
	 SOCIAL PLATFORM	>	 WPF HOLDINGS	\$4,770m	30 th Jan
	 ENTERPRISE SOFTWARE	>	 Blackstone	\$4,584m	14 th Mar
	 INSURTECH	>	 VISTA	\$2,612m	9 th Jan
	 EXPERIENCE MANAGEMENT SOFTWARE	>	 STG SYMPHONY TECHNOLOGY GROUP	\$1,490m	13 th Mar

Source: CapitalIQ, Pitchbook.

Largest European targets go to US buyers

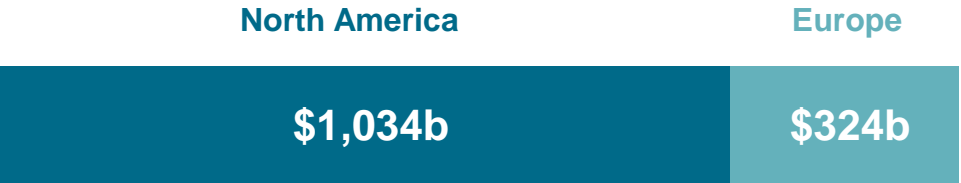
M&A TRANSACTIONS BY DEAL COUNT AND DEAL VALUE FOR TARGET/BUYER GEOGRAPHIES, 2019 – Q1 2023

European & North American targets

Deal Count:

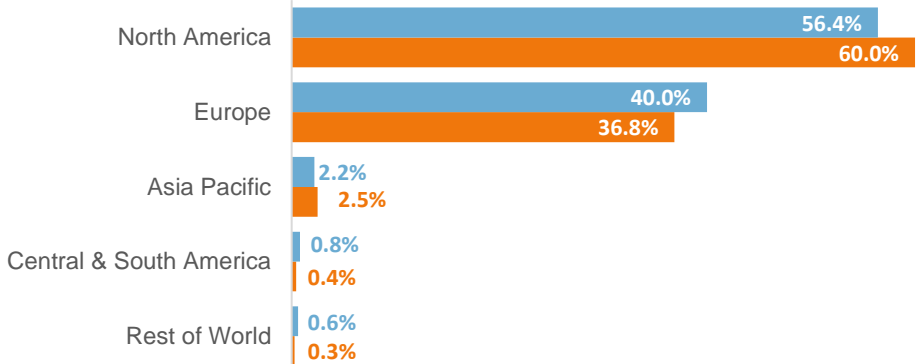


Deal Value:

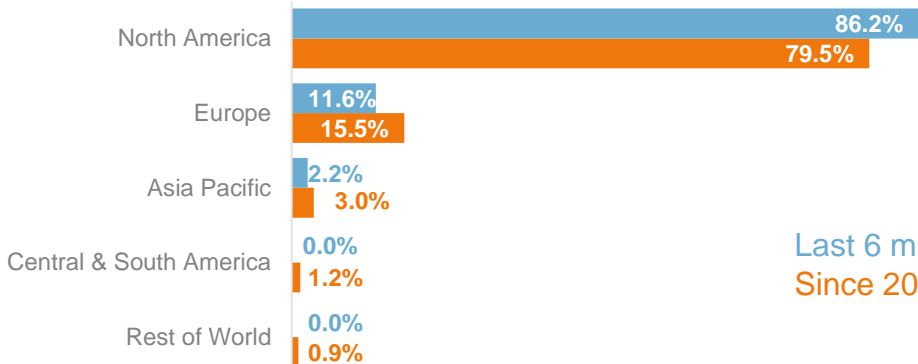


Buyers of European targets

Deal Count:



Deal Value:



Last 6 months
Since 2019

Source: CapitalIQ, Pitchbook. Only deals greater than \$5m shown here. Data as of 31/03/2023

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Deal making in practice – The view from the entrepreneur and lawyer

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CEO at Board Intelligence

Thomas Colmer
Partner at Fieldfisher



fieldfisher

Panel Q&A

Nick Jones, Partner at Silverpeak

Thomas Colmer, Partner at Fieldfisher

Pietro Strada, Managing Partner at Silverpeak

Jennifer Sundberg, CEO at Board Intelligence

Yasemin Arik, Technology investor and board director