

SOFTWARE M&A REPORT – Q1 2025 UPDATE

The M&A market picks up with strategics leading the biggest deals

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Welcome to the latest edition of the Silverpeak Software M&A report Q1 2025 update, a review of European and North American deal activity within the software sector.

Our dataset includes over 26,000 software M&A transactions from 2019 to Q1 2025 and combines data from Capital IQ and Pitchbook.

EDITORIAL TEAM



Pietro Strada
ps@silverpeakib.com



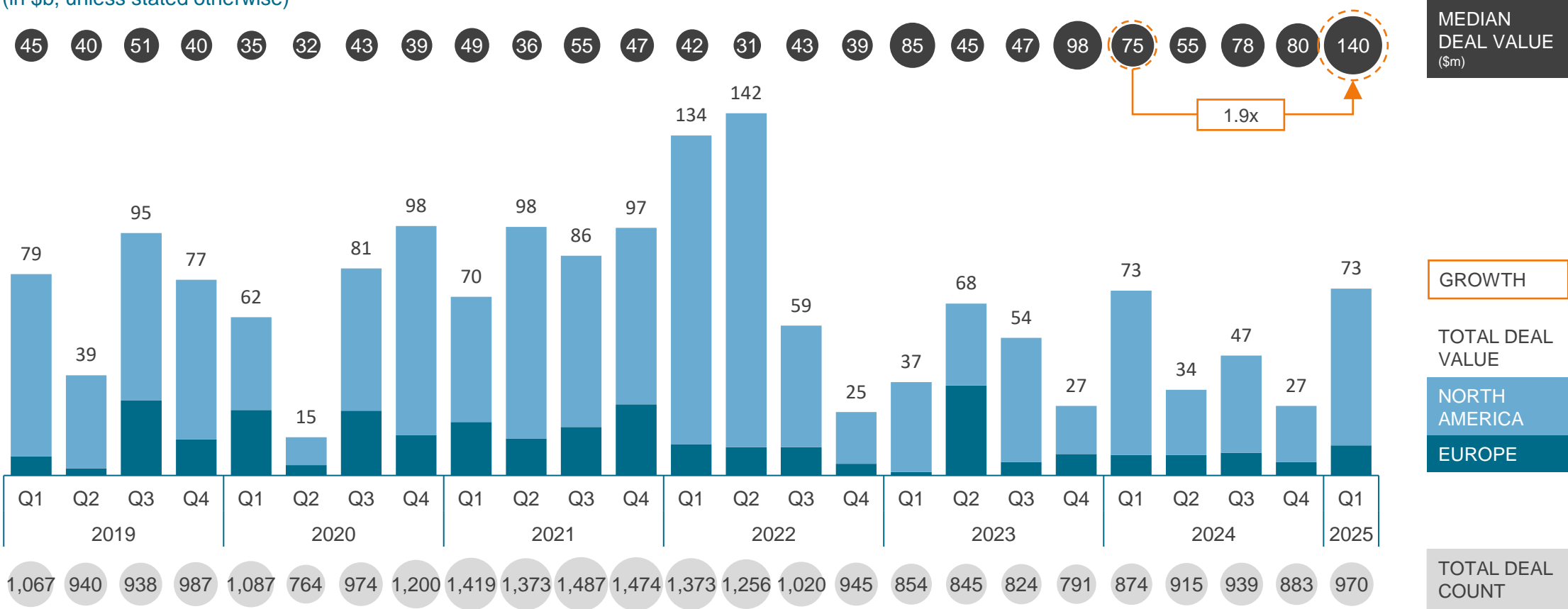
Dominic Taurins
dt@silverpeakib.com



Kaleb Root
kr@silverpeakib.com

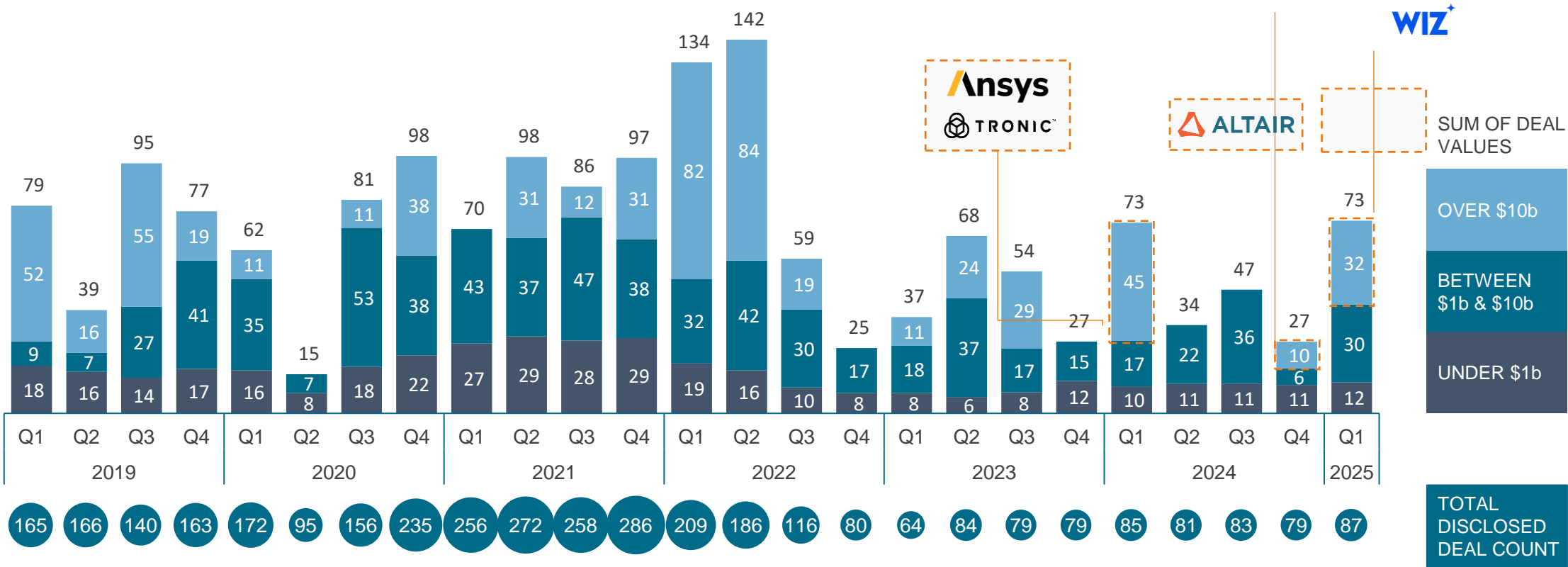
Q1 2025 starts similarly strong as 2024, however median deal value has almost doubled

M&A DEAL VALUE AND COUNT BY REGION, 2019 – Q1 2025
(in \$b, unless stated otherwise)



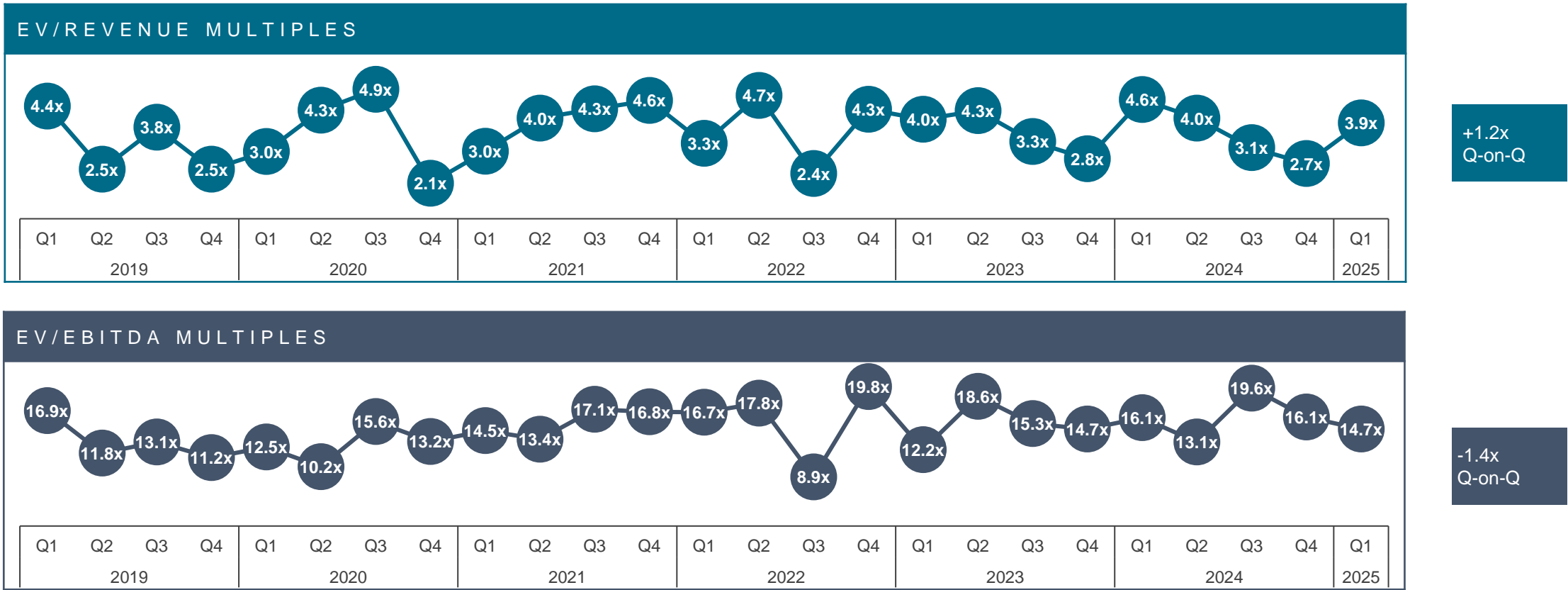
The mid-market continues steady and stable growth, and mega deals have returned

M&A DEAL VALUES BY SIZE, 2019 – Q1 2025
(in \$b, unless stated otherwise)



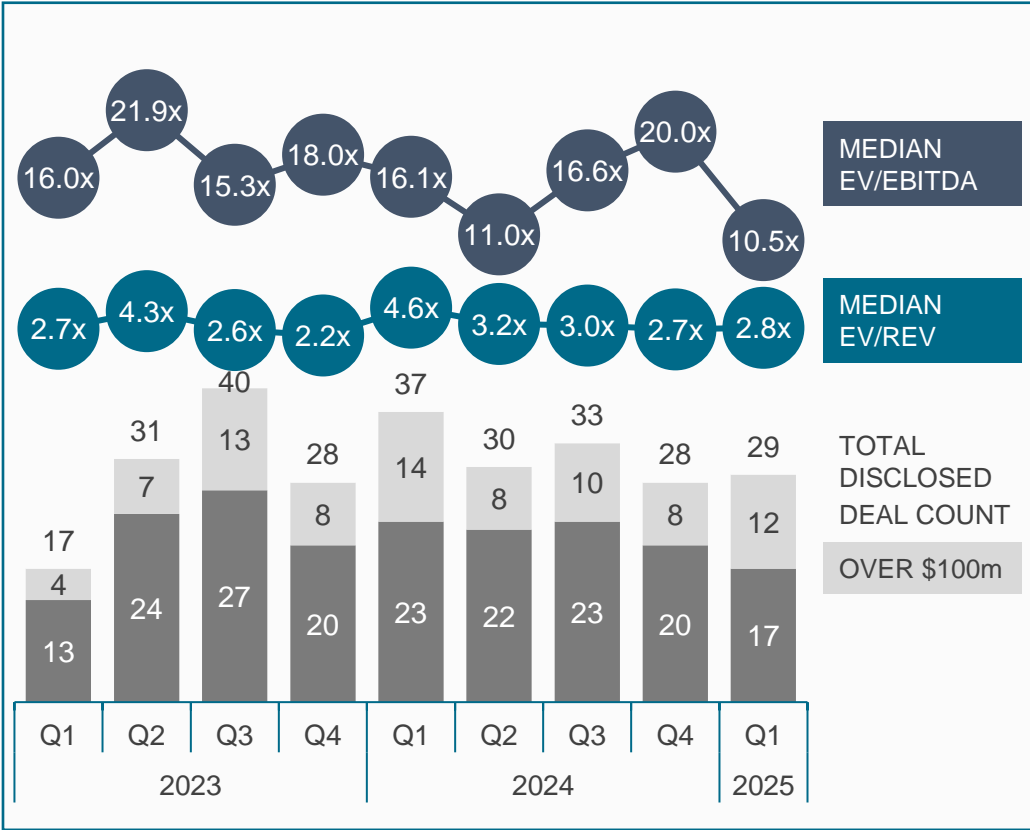
In all deals that disclosed both EV/R and EV/EBITDA ratios, EV/EBITDA decreased, while EV/Rev increased suggesting a focus on profitability

MEDIAN VALUATION MULTIPLES FOR M&A DEALS, 2019 – Q1 2025

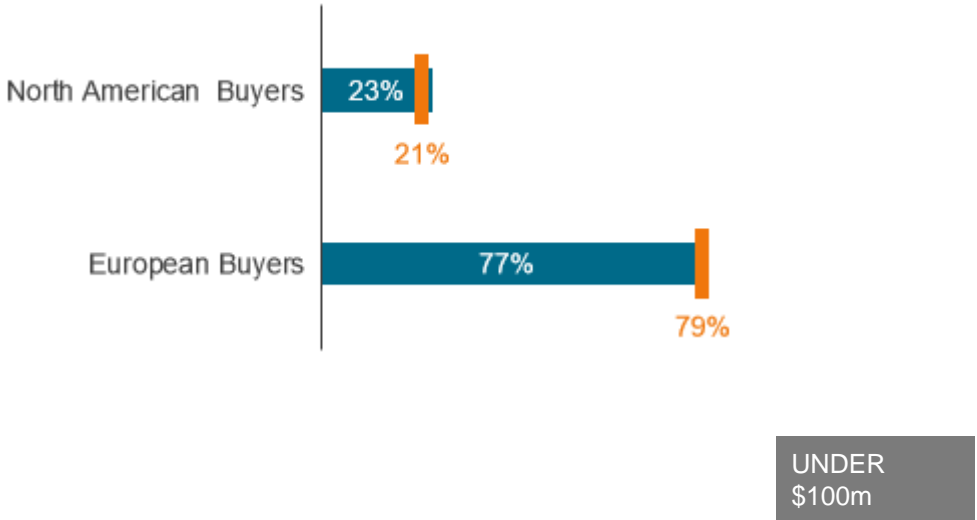


Disclosed European software M&A deals under \$1b have not exhibited the same market growth as North America

EUROPEAN MULTIPLES AND COUNT OF M&A DEALS UNDER \$1b, 2019 – Q1 2025



SHARE OF TOTAL COUNT OF ACQUISITIONS OF EUROPEAN TARGETS ⁽¹⁾, Q2 2023 – Q1 2025



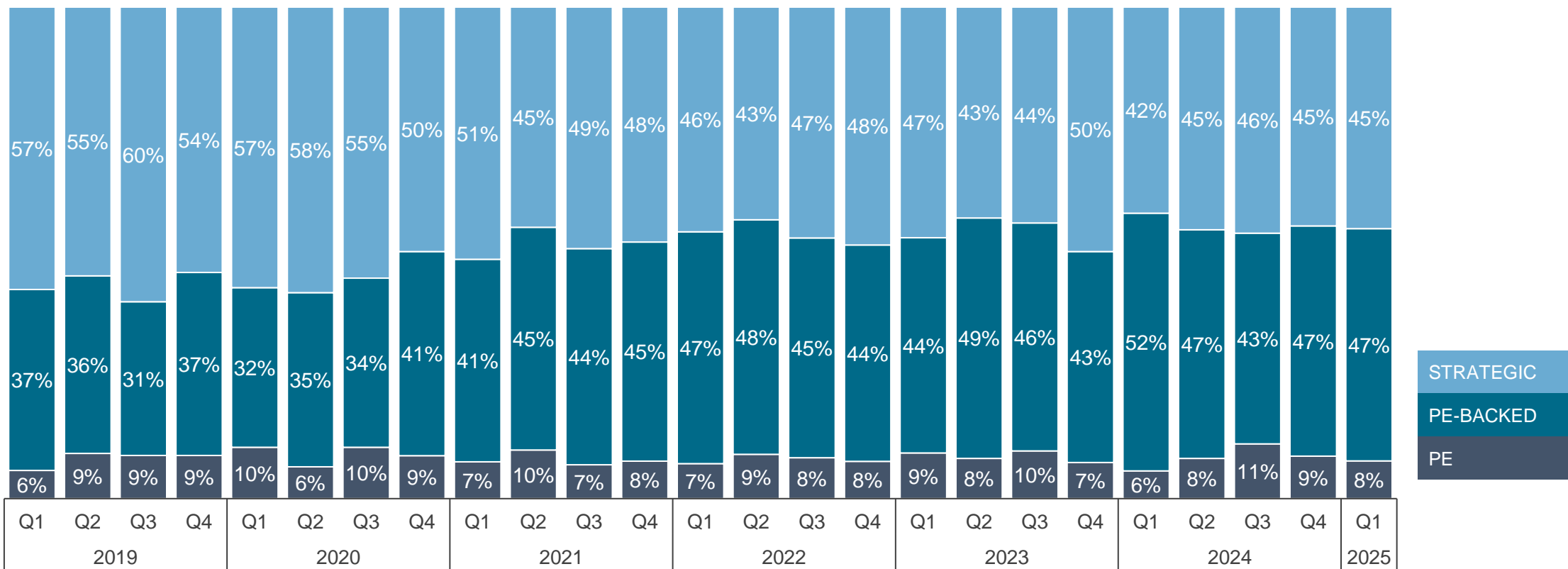
Strategic buyers dominate the deals over \$1b, marking a change from the typical PE buyouts

M&A DEALS OVER \$1b IN Q1 2025

DATE	DEAL SIZE	EV/REV	TARGET	HQ	SECTOR	ACQUIRER	HQ
18 Mar	\$32.0 b	NA	WIZ		Cloud Security Software		
31 Mar	\$5.4 b	26.5x	Fortnox		Accounting Automation Software		
07 Feb	\$4.4 b	5.6x	solarwinds		IT Management Software		
07 Jan	\$4.0 b	5.7x	Paycor		HR Payroll Software		
10 Mar	\$2.9 b	NA			AI Helpdesk Software		
04 Mar	\$2.4 b	NA			Energy Operations Software		
16 Feb	\$2.4 b	4.5x			Tax Refund Software		
04 Mar	\$1.7 b	NA			ML Experimentation Software		
10 Mar	\$1.6 b	1.6x	REDFIN		Real Estate Software		
20 Mar	\$1.5 b	NA	NINJATRADER		Trading Platform Software		
13 Jan	\$1.1 b	5.5x			Investment Management Software		
06 Jan	\$1.1 b	NA			Streaming Platform Software		
18 Feb	\$1.1 b	7.8x			Gaming Content Software		

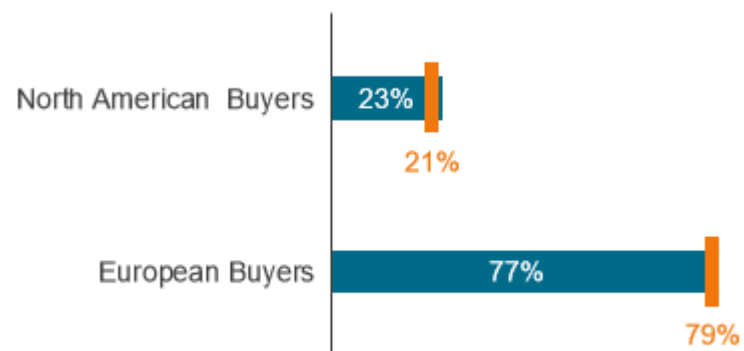
The level of strategic acquisitions has remained stable over the past 12 months, suggesting PE still active in the mid-market

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

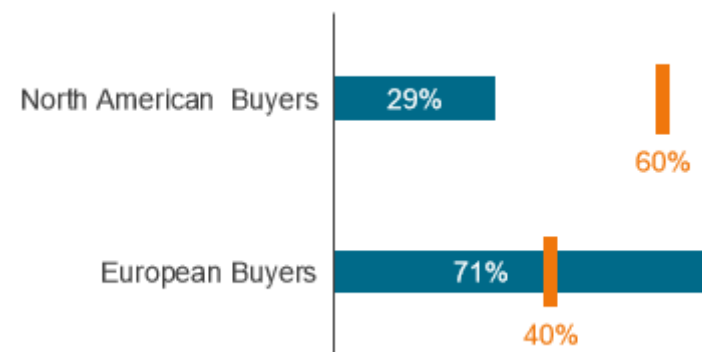


European buyers have drastically increased their share of European targets in the past 3 months

SHARE OF TOTAL COUNT OF ACQUISITIONS OF EUROPEAN TARGETS ⁽¹⁾, Q2 2023 – Q1 2025



SHARE OF TOTAL VALUE OF ACQUISITIONS OF EUROPEAN TARGETS ⁽¹⁾, Q2 2023 – Q1 2025





Pietro Strada
Managing Partner
ps@silverpeakib.com



Dominic Taurins
Senior Analyst
dt@silverpeakib.com



Kaleb Root
Analyst
kr@silverpeakib.com

SILVERPEAK LLP
123 VICTORIA STREET,
LONDON, SW1E 6DE, UK

+44 (0) 20 7529 5400
london@silverpeakib.com
silverpeakib.com

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