

Regent Assay's View of the Month

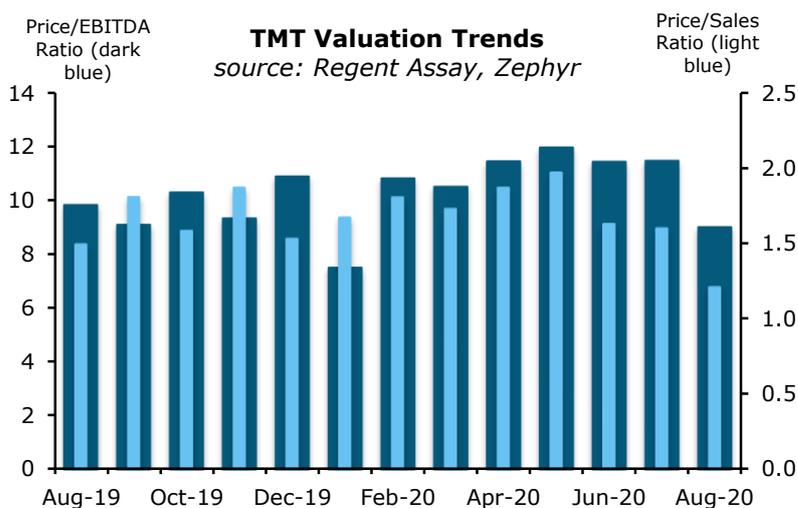
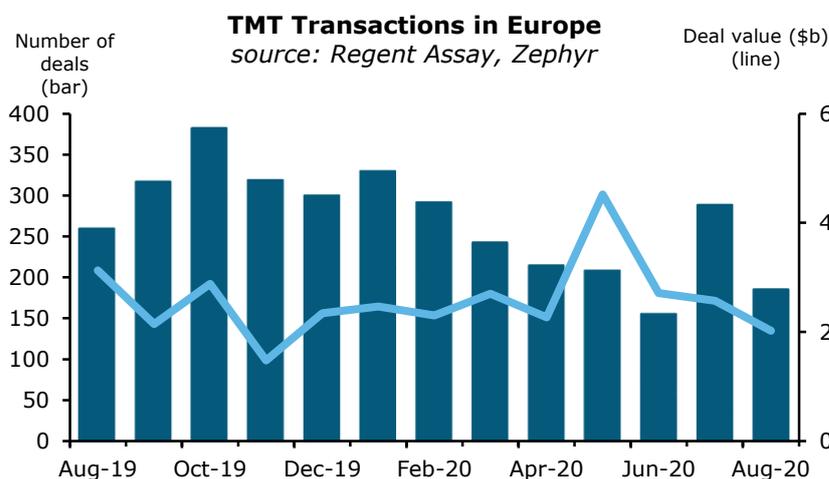
The European TMT M&A landscape saw a 36% decrease in deal volume, with transactions falling from 288 to 185, and deal value losing \$5bn down to \$20.2bn. The P/Sales multiple tumbled to a 12-month low of 1.2, while the P/EBITDA multiple dropped from 11.5 to 9. While new lockdown restrictions may seem to be looming over the economy, the decline may be simply due to seasonal factors, with August typically being a slower month for M&A. Interestingly, the data from the past few months may seem to suggest that the decrease in activity started prior to the Covid outbreak, not after it, with the drop in activity beginning in January. The acquisition of Visma for \$12bn makes it the largest software buyout in the world (see below).

A consortium of investors led by UK based Hg Capital announced on 21 August that it had made a further investment in Norwegian Visma, a leading provider of business-critical software to private and public enterprises, valuing the business at \$12.2 billion. Hg led the original delisting of Visma from the Oslo Stock Exchange in 2006 and has been co-lead investor in Visma for the last 14 years, in which time Visma has grown to become a leading provider of SaaS productivity solutions to businesses across Northern Europe. Visma is the largest provider of cloud-delivered SaaS to European businesses and a pioneer in cloud technology, with its first investment in the field originating in 2008. Visma made 2019 revenue of \$1.6bn.

On 27 August, localisation giants RWS and SDL announced that they had reached an agreement on the terms of an all-share merger, valuing SDL at \$1.1 billion and making it the UK's largest tech deal this year. RWS shareholders will own 70% of the combined entity, which will remain listed on the AIM market and keep its HQ in Chalfont St Peter. The new company will be largest language service provider by revenue and is expected to reach a market value of \$3.9bn. The acquisition of SDL brings translation software into RWS's portfolio of patent translation and IP services and will boost annual revenues to \$1bn, according to RWS.

On 10 August, AIM-listed information management software group Ideagen announced the acquisition of Qualsys Ltd, a supplier of electronic quality management software based in Sheffield (UK), for approximately \$20m. Qualsys provides governance, risk and compliance software services to various businesses. Ideagen stated that the acquisition will provide a "strong growth opportunity" by accelerating the existing development roadmap of its Q-Pulse product by integrating the seventh version of Qualsys' electronic quality management system which offers robust document control, equipment maintenance and risk management services.

US based Four Winds Interactive, the leading provider of enterprise digital signage software, announced on 13 August the acquisition of UK SmartSpace Global Ltd, a leading provider of cloud-based mobile and workplace solutions to enterprise customers, for approximately £6.5m. With this acquisition, Four Winds, which has made workplace a key vertical, will leverage new capabilities in areas including desk hoteling, meeting room management and workspace analytics via mobile, desktop, and digital signage devices. This acquisition expands FWI's international presence with offices in the US, UK, Europe, and Asia.



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