

Regent Assay's View of the Month

The M&A market in the European TMT sector seems to have gained in momentum this month. The total number of transactions increased from 194 in January to 216 in February, its highest figure since July 2020, while the announced deal value, which had dropped to a record low of \$14bn in January, bounced back to \$30bn. The P/S ratio declined slightly to 2.3x but remained above 2x for the fourth month in a row, while the P/EBITDA figure jumped to 11.5x, which is above its 12-month average. Cross-border activity accounted for a large number of transactions once again, particularly in the upper-end of the market (see below).

After entering the Dutch market last month, Spanish Cellnex announced on 3 February that it had reached an agreement with Altice and Starlight Holdco to acquire Hivory, a French telecommunications tower operator which manages 10,500 sites and mainly serves mobile operator SFR as anchor tenant. The agreement represents an investment of \$6.2 billion by Cellnex, to be accompanied by a further \$1 billion for the roll-out of up to 2,500 new sites. Cellnex Telecom expects its backlog of contracted sales to increase by about \$16 billion to about \$120 billion following the deal.

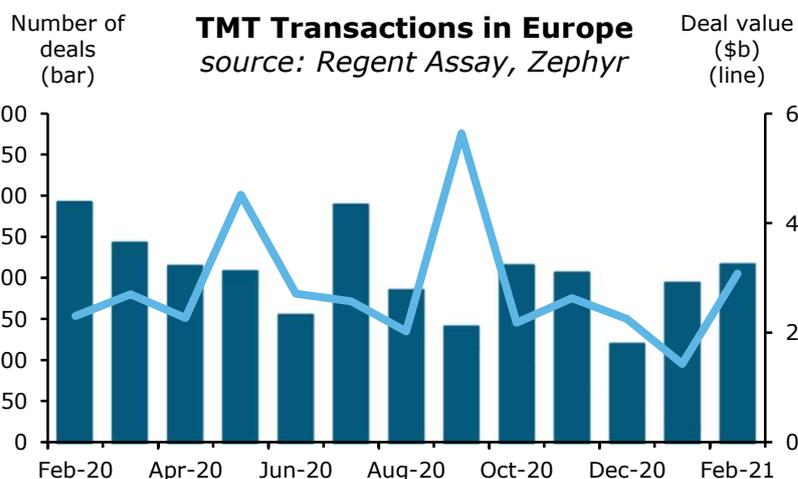
Sweden-based games developer, Embracer Group, acquired Gearbox Entertainment, on 2 February, for \$1.3bn. Following the acquisition, Gearbox, which is based in Texas (USA), will become Embracer's seventh operating group and its second in North America alongside Saber Interactive. Gearbox is a creative developer of multiple original AAA game titles and franchises, including critically acclaimed games Borderlands, Brothers in Arms, Homeworld and Duke Nukem, Borderlands 3 was one of the top 10 most popular premium games on PC and console in 2019. Gearbox had 2019 revenue of \$121m and EBIT of \$37m.

US-based Institutional investor, BlackRock Long Term Private Capital, announced on 11 February that it had reached an agreement to acquire Aquila Heywood, a UK based market leader in pensions administration software and services, for \$484m. Aquila Heywood, which is headquartered in Bristol, builds modern software solutions for pension schemes, pension administrators and employers. Its proprietary platform, Altair, is used by almost 90% of UK local authorities. The partnership with Aquila Heywood is BlackRock LTPC's third investment overall and second in Europe.

American company, Cision, announced on 26 February that it had entered into a definitive agreement to acquire Brandwatch, a UK based global leader in digital consumer intelligence and social media listening, for \$450 million. Brandwatch offers a digital consumer intelligence platform. The company's AI powered deep social listening and content marketing analytics products is used by over 2,000 brands and agencies to make data-driven decisions. This acquisition is set to combine two leaders in their respective industries and bring to customers the substantial benefits of their complementary capabilities to deliver the future of PR, marketing and digital customer engagement.

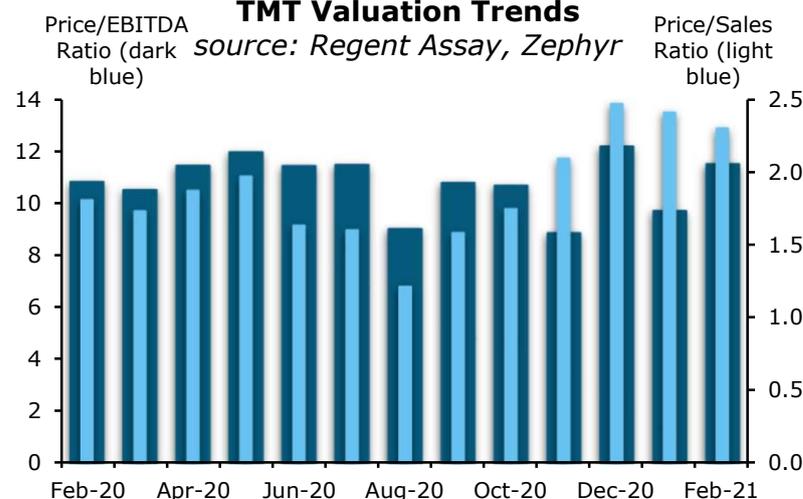
TMT Transactions in Europe

source: Regent Assay, Zephyr



TMT Valuation Trends

source: Regent Assay, Zephyr



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