

European TMT Sector January 2023 - Monthly Briefing

REGENT ASSAY - MONTH IN REVIEW

December wrapped up 2022 within the European TMT sector with a high volume of M&A activity, almost similar to 2021, with a total deal count of 4,024. However, in the past six months there has been a steady decline in the volume of transactions bringing the average number of monthly transactions to its normal levels. Deal volume for January 2023 was 223 compared to January 2022 of 396, a decline of 43%.

More interestingly, although the median Price to Sale ratio remained steady around 2x, the median Price to EBITDA corrected itself from a peak of 14.3x in September '22 to the norm of around 8x in January '23.

In general, advances in technology and increased demand for digital services continue to drive the sector, resulting in consolidation through M&A as companies seek to extend their market share and access new technologies and customer bases.

Avast Plc, a cybersecurity and privacy firm headquartered in Prague, was acquired by Tempe, Arizona-based NortonLifeLock Inc. in September 2022 for £6 billion, reflecting an EV/Revenue ratio of 8.9x. Avast Limited and its subsidiaries provide cybersecurity services around the world, primarily through e-commerce service providers, merchants, and resellers. NortonLifeLock Inc. is a worldwide provider of cyber security products. It offers Norton 360 and LifeLock identity theft protection, among other security solutions. NortonLifeLock Inc. announced a new name, Gen Digital Inc., in November 2022, following the merger with Avast. This acquisition is a massive step forward for consumer cyber safety, as NortonLifeLock thrived at identity theft protection and Avast thrived at privacy. The deal is expected to result in yearly cost savings of nearly \$280 million.

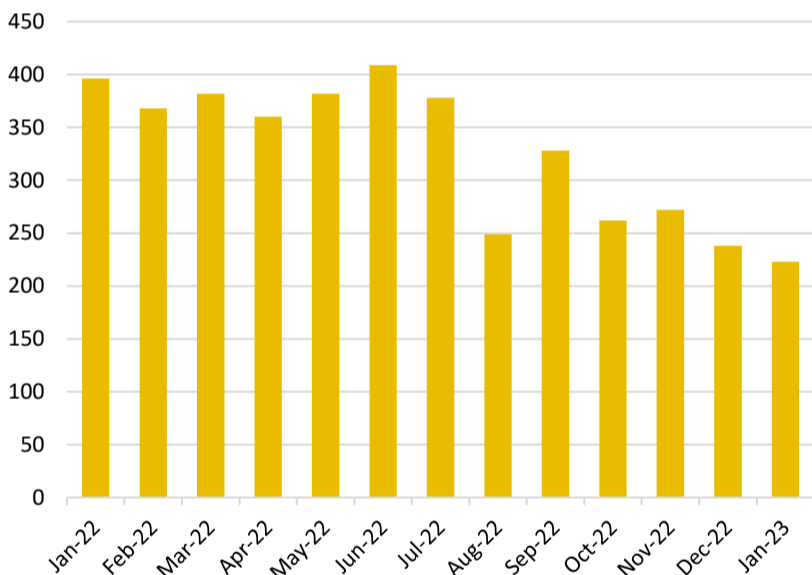
EvolveODM has acquired mobile telecoms provider 4G Voice and Data, marking its second buy in three months. The acquisition includes the retention of all 4G voice and Data employees and is the latest stamp in EvolveODM's footprint across the North of England. 4G Voice and Data has more than 25 years' experience in business connectivity services including telecoms, mobile, and payments, and works with all UK major mobile networks. The acquisition allows EvolveODM to provide its customers a true one-stop-shop connectivity solution. EvolveODM's growth plans include increasing its network management footprint from 7,500 locations to 15,000 within the next three years, with a focus on creating local jobs.

Influence Sports Limited, a sports marketing and communication service provider with headquarters in London, UK, was acquired by Mongoose Sports & Entertainment Ltd, a subsidiary of The Mission Group plc, for £8 million in December 2022. Influence Sports Limited is a sports media company. Mongoose Sport and Entertainment Ltd offers sports sponsorship, public relations, digital marketing, and activation programmes. The acquisition will boost global opportunities and provide a broader range of services.

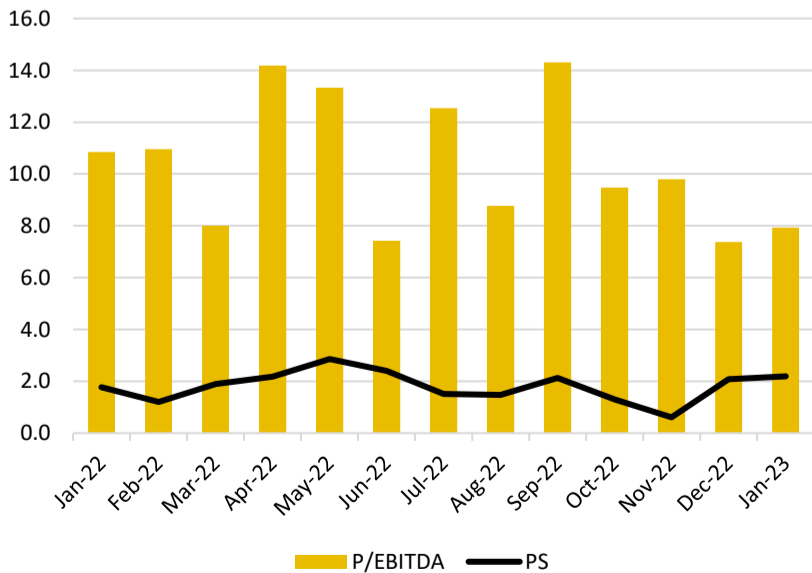
Doctify, a London, UK-based provider of a platform for patient reviews of health and social care, raised \$10M in funding. The round was led by Beringea, with participation from Keen Venture Partners, Amadeus Capital Partners, and Guinness Ventures

Untienots SAS, a Paris, France-based Software-as-a-Service (SaaS) provider that increases customer loyalty, was acquired by Eagle Eye Solutions Group plc in January 2023 for €38.8 million together with its subsidiaries in France. Untienots offers a promotion personalisation platform to merchants in order to capture a portion of their customers' wallets. Eagle Eye Solutions Group plc and its subsidiaries deliver marketing technology SaaS solutions worldwide. The deal is subject to French Ministry of Economy and Finance approval for Foreign Direct Investment regulations. The deal will unify global retailers, accelerating their personalization strategies and create cross-sale opportunities.

MONTHLY TRANSACTION VOLUME



TMT VALUATION TRENDS



Source: Regent Assay, CapIQ