

European TMT Sector April 2023 - Monthly Briefing

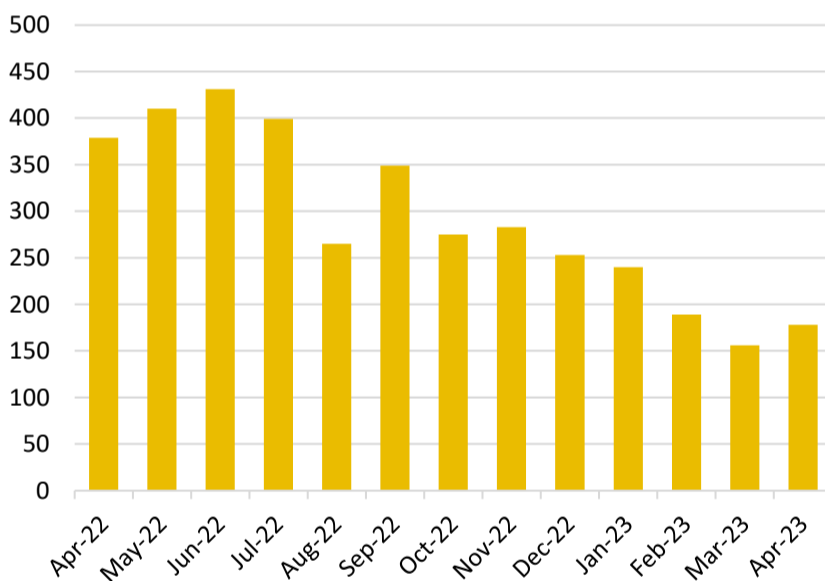
REGENT ASSAY - MONTH IN REVIEW

The European TMT sector saw an increase in M&A activity in April 2023, after a period of steady decline. Despite this increase, there were still 53% fewer deals compared to the same period in the previous year.

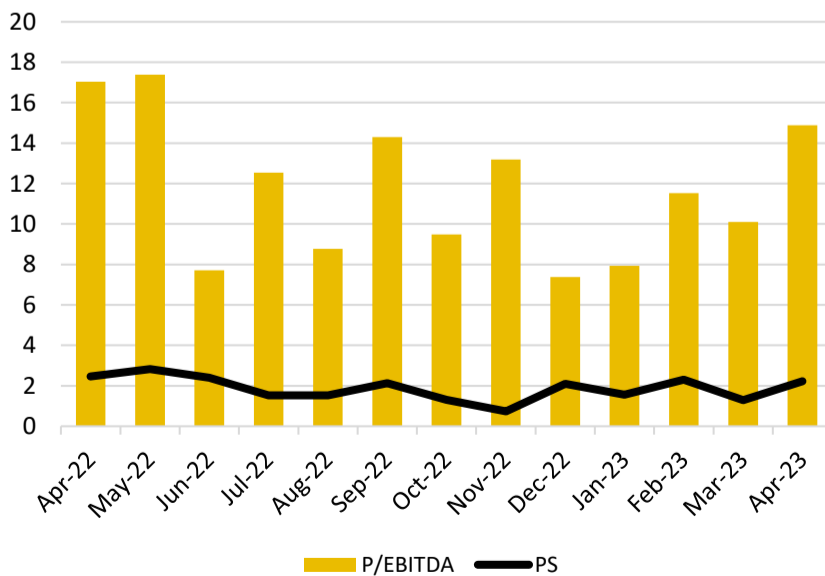
The median Price to Sales ratio for April 2023 was recorded at 2.2x, which is lower than the 2.5x recorded in April 2022. Similarly, the median Price to EBITDA ratio also decreased to 14.9x in April 2023 from 17x in April 2022. However, the Price to EBITDA ratio rose from the 10.1x recorded in March 2023.

Despite ample capital, bid-offer spreads are still too wide, and inflationary costs and debt availability are challenging operating models and hindering private credit funds from raising new funds. Nonetheless, discussions suggest that M&A activity will increase in Q3 driven by pent-up demand from both buyers and sellers.

MONTHLY TRANSACTION VOLUME



TMT VALUATION TRENDS



Source: Regent Assay, CapIQ

Phlo Technologies, a leading digital pharmacy company in the UK, has acquired the UK assets of *Truepill*, a healthcare unicorn based in the US. This strategic move marks a significant consolidation in the digital pharmacy sector in the UK and positions Phlo Technologies as the market leader in B2B pharmacy services in the country. Phlo has also acquired Truepill UK's partnerships with several popular digital healthcare providers in the UK, as well as their technology stack. Phlo Technologies recently raised £10m in Series A funding in February 2023, led by Thairm Bio and other investors. Phlo plans to expand its operations, including launching same-day on-demand medication delivery in Manchester, and offer jobs to all of Truepill UK's existing pharmacy and warehouse staff. This acquisition marks a significant milestone for Phlo Technologies and the digital pharmacy sector in the UK.

Founders Forum Group, a London-based community and group of businesses supporting entrepreneurs, has acquired *Tech Nation*, a growth platform for UK tech companies. The acquisition will allow Founders Forum Group to relaunch several Tech Nation programs and reports on the UK tech sector as part of its existing portfolio of events and services tailored to entrepreneurs. Tech Nation provides a platform for UK tech companies to accelerate growth, and over 1,000 companies have graduated from its growth programs, including Skyscanner, Darktrace, and Monzo. Founders Forum Group, led by CEO Carolyn Dawson, provides education, professional services, investment, networking, content, and philanthropy to support the needs of today's founders.

Daisy has acquired cybersecurity vendor *ECSC* to build out its cybersecurity services. The £195m revenue partner recently acquired the trio of Phoenix IT, Alternative Networks and Damovo UK. ECSC was established in 2000 and specialises in security breach prevention, detection, and response support. Daisy CEO Neil Thompson is excited about adding ECSC's longstanding and complementary cyber security expertise to Daisy's existing Cyber and Operational Resilience division and wider managed service business. ECSC CEO Matthew Briggs believes there is a real prospect of ECSC becoming the UK's leading cyber security organisation.

Guiding Tech Media, a leading digital media company, has acquired *Alphr.com*, a popular website known for its informative content on consumer technology, along with a portfolio of other technology web properties such as TechJunkie.com and PlayerAssist.com. Guiding Tech Media has a track record of acquiring successful technology brands, and this latest acquisition aligns with their mission to provide readers with comprehensive information in the consumer tech industry. Alphr.com has a team of expert writers and editors who provide the latest how-to's and reviews on gadgets, software, and emerging technologies. The website and its associated web properties reach over 10 million people monthly. The acquisition is expected to enhance the reach and impact of Alphr and its associated websites, as Guiding Tech Media plans to leverage its expertise in content development and online publishing. The company operates a growing portfolio of premiere online brands, including Guiding Tech, AppleToolBox, Technipages, KDnuggets, and Machine Learning Mastery, among others.