

The Deloitte logo, consisting of the word "Deloitte" in a white, sans-serif font, followed by a small green dot. The background of the entire page is a dark blue field filled with numerous thin, glowing blue lines that radiate from a central horizontal band, creating a sense of depth and connectivity, reminiscent of fiber optic cables or a data network.

**Deloitte.**

M&A sector report

Nordic technology, media and telecom market

Q3 2024

# Letter from the editors

## M&A activity in the Nordics within the Technology, Media, and Telecommunications (TMT) sector continued its upward trajectory in Q3 2024, with 166 recorded transactions, an increase from 148 in the previous quarter.

The software segment remained the primary driver of Nordic TMT M&A activity, with 136 deals recorded in Q3, showing a significant increase from 113 deals in Q2. This marks the highest quarterly volume in the Nordic software M&A space since the start of our report's historical coverage in 2016.

Nordic software multiples remained relatively stable throughout Q3, particularly in comparison to the more volatile global benchmarks dominated by US-based SaaS companies. The global index recorded a Q3 median NTM<sup>1</sup> EV/Revenue multiple of 5.4x, below its five-year median of 9.5x. In contrast, the Nordic SaaS index aligned more closely with its five-year median of 4.4x, ending Q3 with a median of 3.0x.

Q3 highlights a sustained profitability premium driven by large outliers, as an analysis on median multiples reveals a negative profitability premium.

In the Nordic IT services market, nine transactions were recorded in Q3, down from 13 in the previous quarter and 15 in Q3 2023. The Nordic IT services index also exhibited lower volatility than its global

counterpart, with a Q3 median multiple of 7.9x NTM EV/EBITDA, compared to the global index at 10.0x.

Media and telecommunications M&A remained robust, with 21 transactions recorded in Q3, marking the second consecutive quarter with over 20 deals in these segments.

By contrast, the IT hardware subsector saw minimal transaction activity. Given the limited deal flow, this report does not include an in-depth analysis of the IT hardware sector.

The data and insights in this report draw on Nordic target transactions recorded by Mergermarket, further supported by Deloitte's proprietary transaction experience. Deal volume reflects Mergermarket-announced transactions within TMT industry categories.



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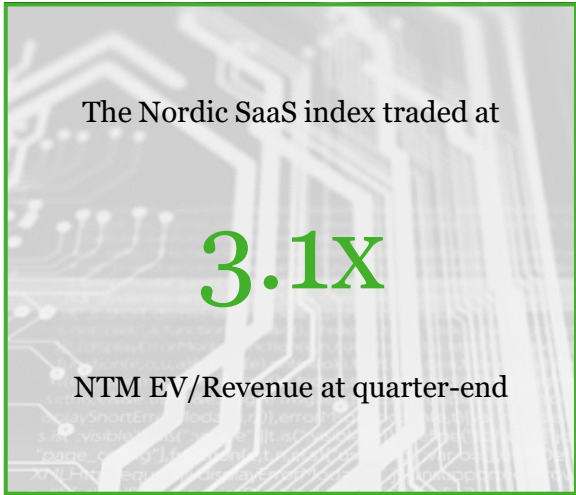
### Deloitte insights

- Recent Deloitte credentials
- Sector team & contact details



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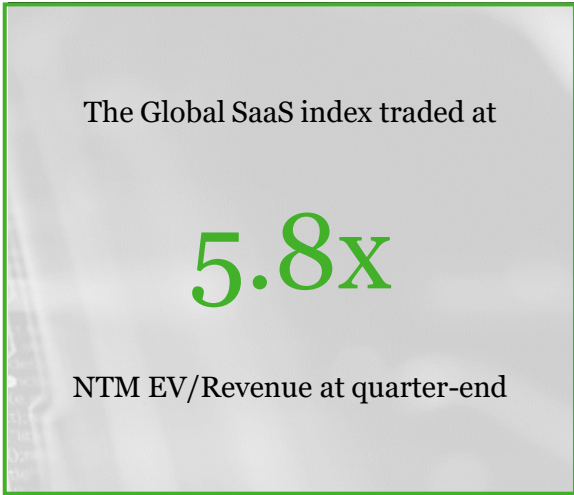
transactions within the Nordic software space



The Nordic SaaS index traded at

3.1X

NTM EV/Revenue at quarter-end



The Global SaaS index traded at


5.8X

NTM EV/Revenue at quarter-end



1<sup>st</sup>

highest quarterly deal volume recorded since 2016<sup>1</sup>



The Nordic SaaS index increased by

2.1%

in the quarter

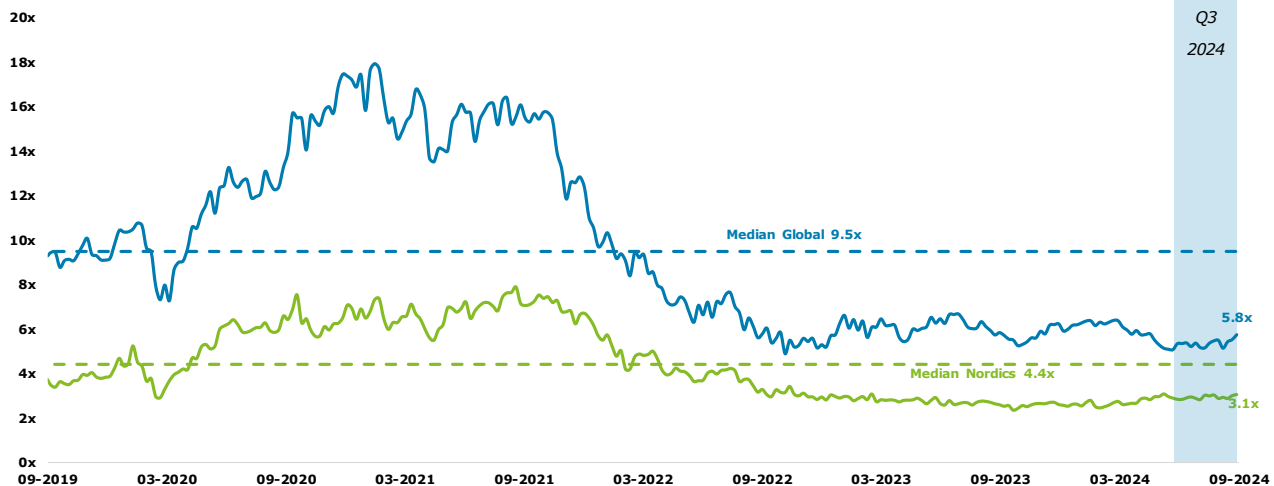


3.7X

LFY Nordic software transaction EV/Revenue multiple<sup>2</sup>

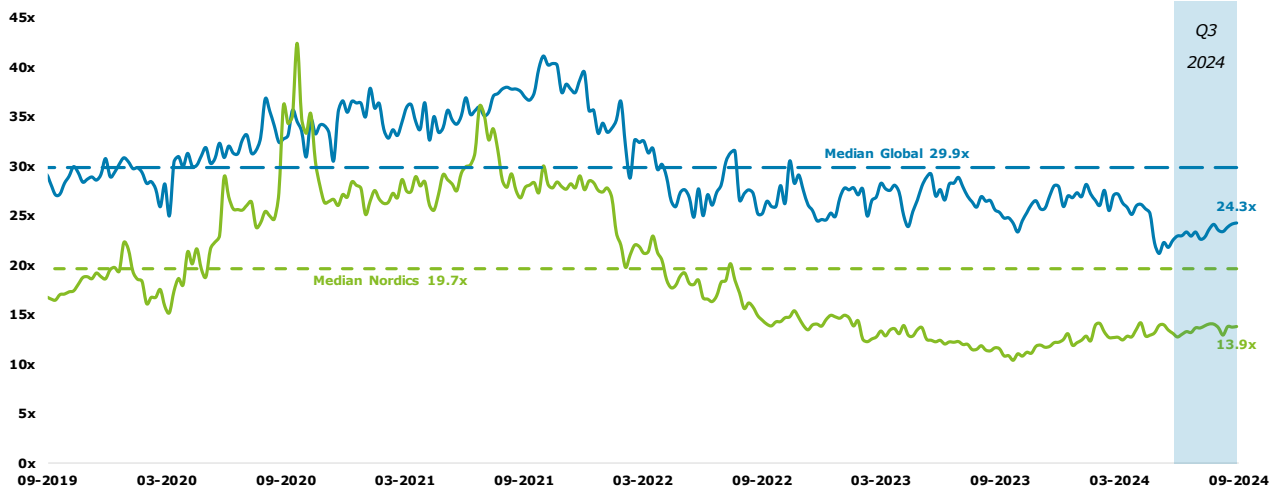
# Nordic and Global software multiples steady with modest gains yet below the 5-year median

**Nordic and Global SaaS indexes NTM EV/Revenue**



As of Q3 2024, the Nordic SaaS Index traded at a median NTM EV/Revenue of 3.1x, compared to the Global SaaS Index at 5.8x.

**Nordic and Global SaaS indexes NTM EV/EBITDA**

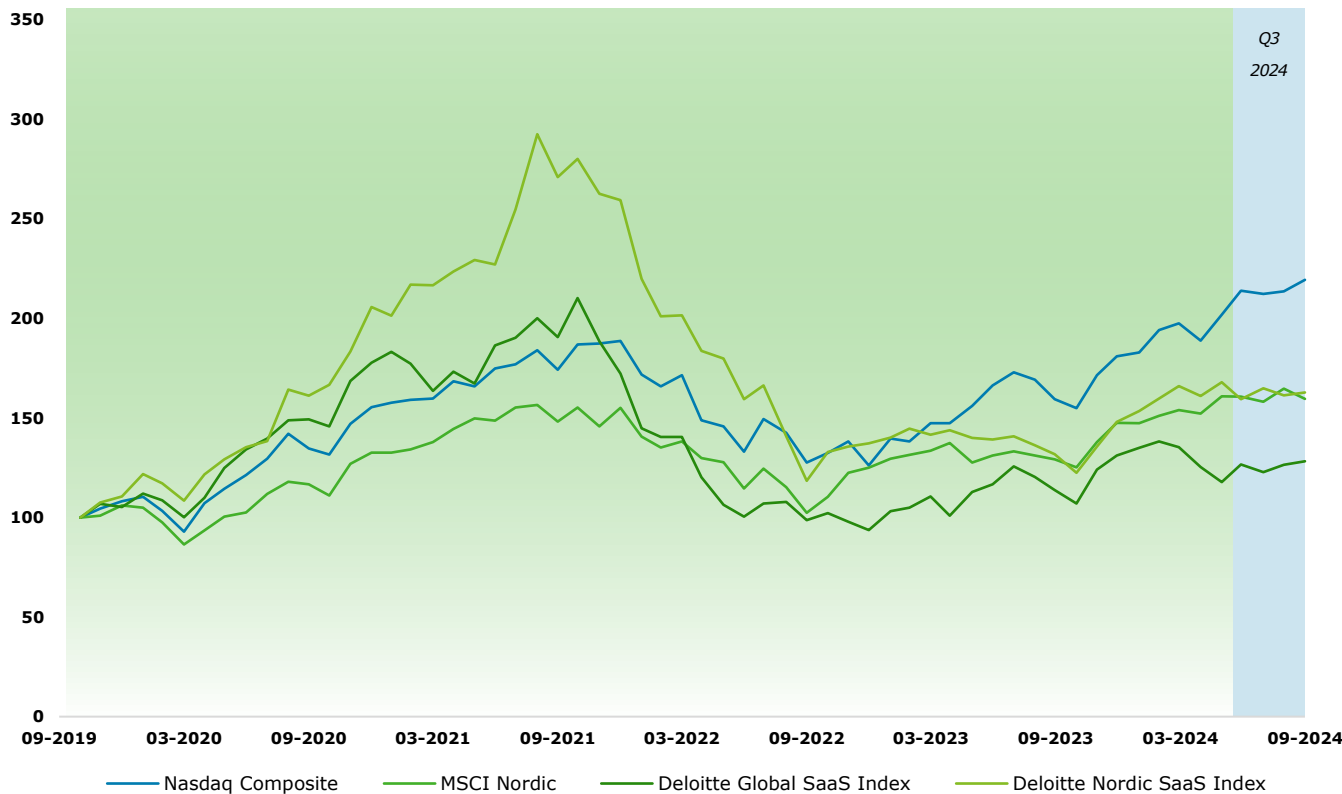


As of Q3 2024, the Nordic SaaS Index traded at a median NTM EV/EBITDA of 13.9x while the Global SaaS Index traded at a median NTM EV/EBITDA of 24.3x

# The Nordic SaaS index continues to outperform the Global benchmark in Q3 2024

Indexed stock price development for various indices, start point: 100

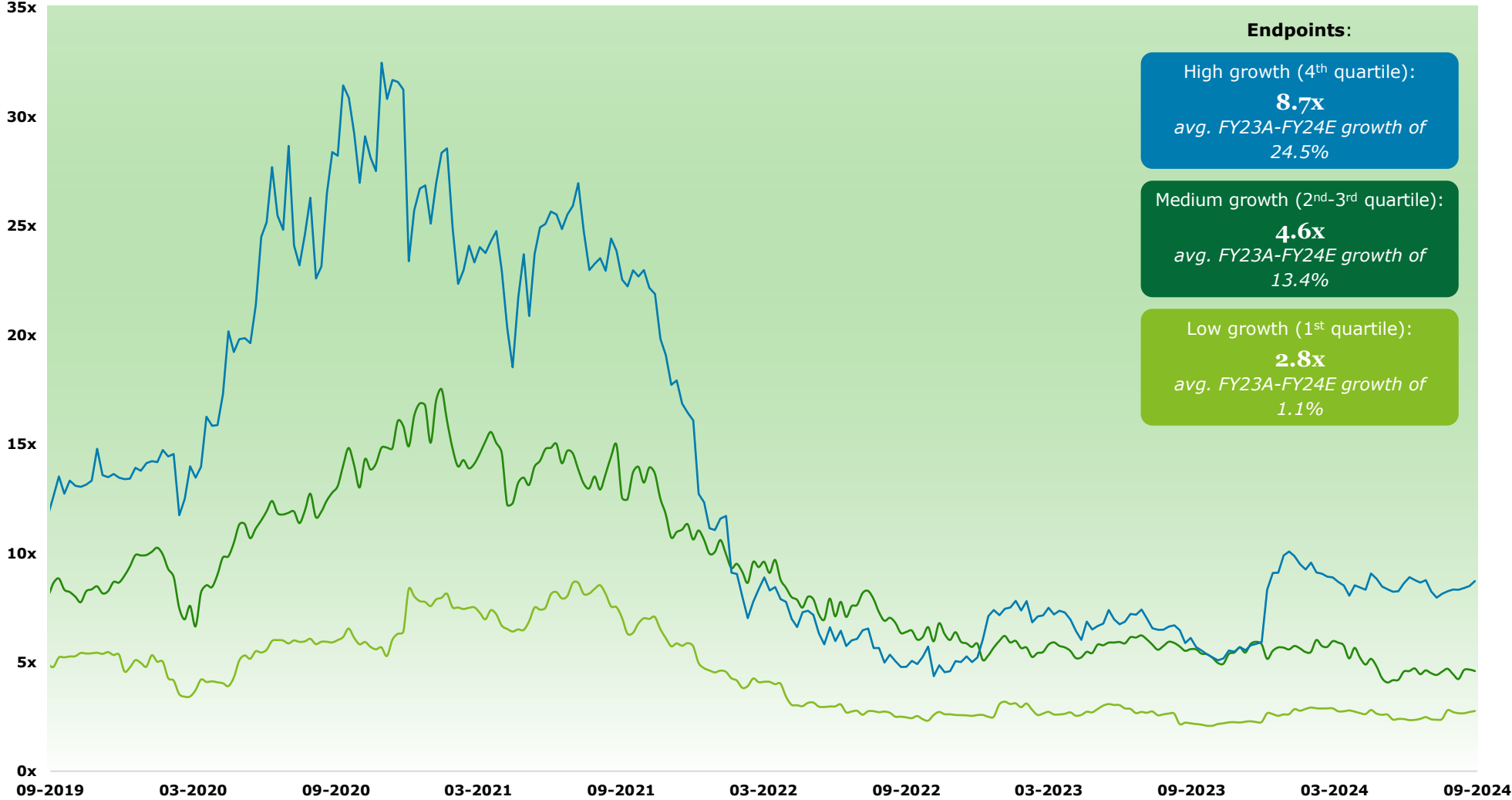
The Deloitte Nordic SaaS and Global SaaS indices both showed modest gains in Q3 2024, indicating some stabilization after a volatile recovery from last year's lows



<b>Deloitte Nordic SaaS index:</b> <b>163</b>	<b>Index development</b> L3M: 2.1% L6M: (2.0%) LTM: 23.4%
<b>Deloitte Global SaaS index:</b> <b>128</b>	<b>Index development</b> L3M: 1.3% L6M: (5.2%) LTM: 12.7%
<b>Nasdaq Composite:</b> <b>219</b>	<b>Index development</b> L3M: 2.6% L6M: 11.0% LTM: 37.6%
<b>MSCI Nordic:</b> <b>160</b>	<b>Index development</b> 3M: (0.6%) L6M: 3.7% LTM: 23.5%

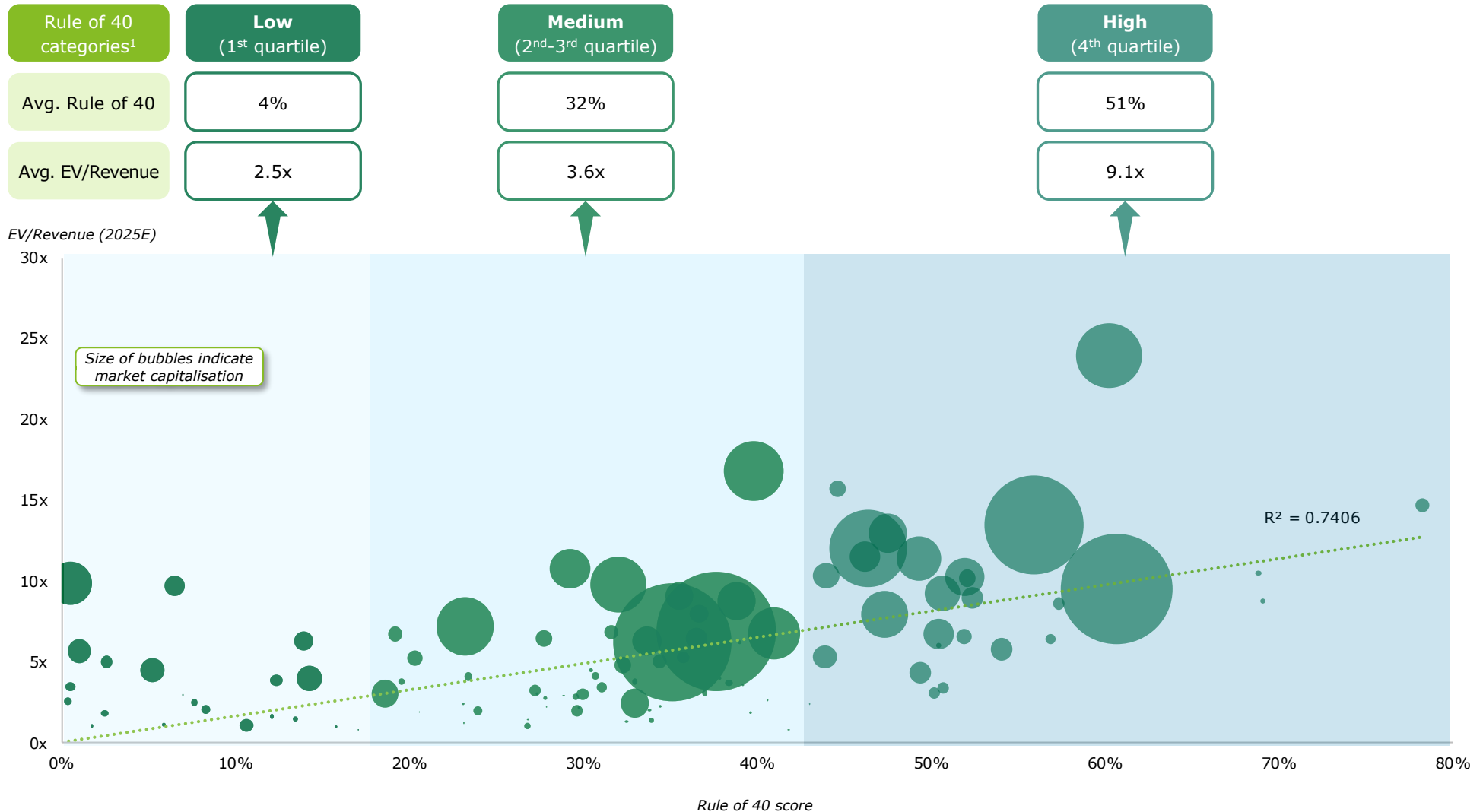
# High growth continues to yield valuation premiums for software companies

Median NTM EV/Revenue development for high, medium and low growth companies in the Deloitte Global and Nordic SaaS indexes



# Higher Rule of 40 performance supports valuation premiums for software companies

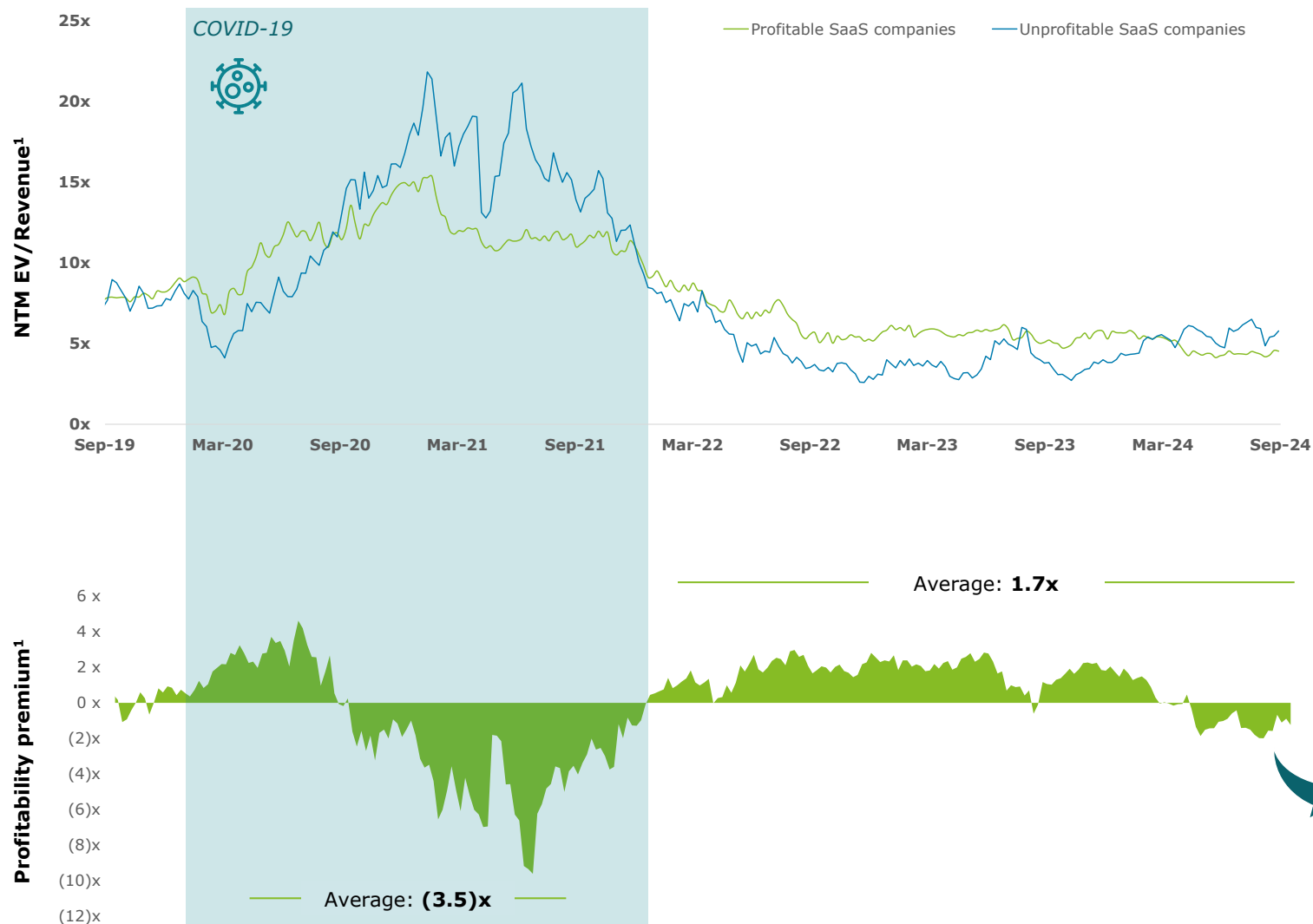
EV/Revenue multiples and Rule of 40 performance for companies in the Deloitte Global and Nordic SaaS indexes





# Renewed emphasis on growth as market uncertainties diminish

Development in NTM EV/Revenue for Deloitte Global and Nordic SaaS indexes



During the initial Covid-19 market shock in early 2020 the market priced a profitability premium in, valuing profitable companies higher in the period of high uncertainty



Following the initial Covid-19 market shock, the profitability premium disappeared, and turned negative driven by investors' increased focus on growth over profitability

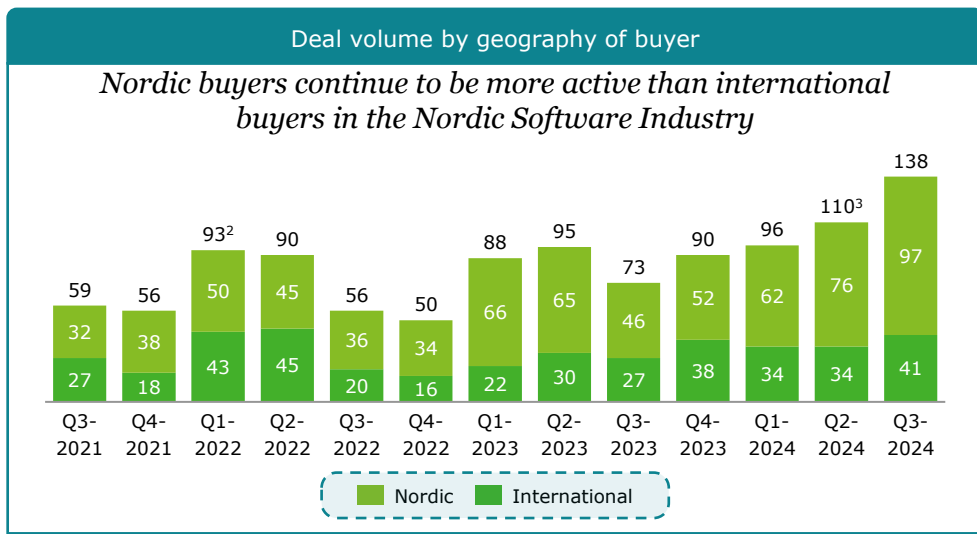
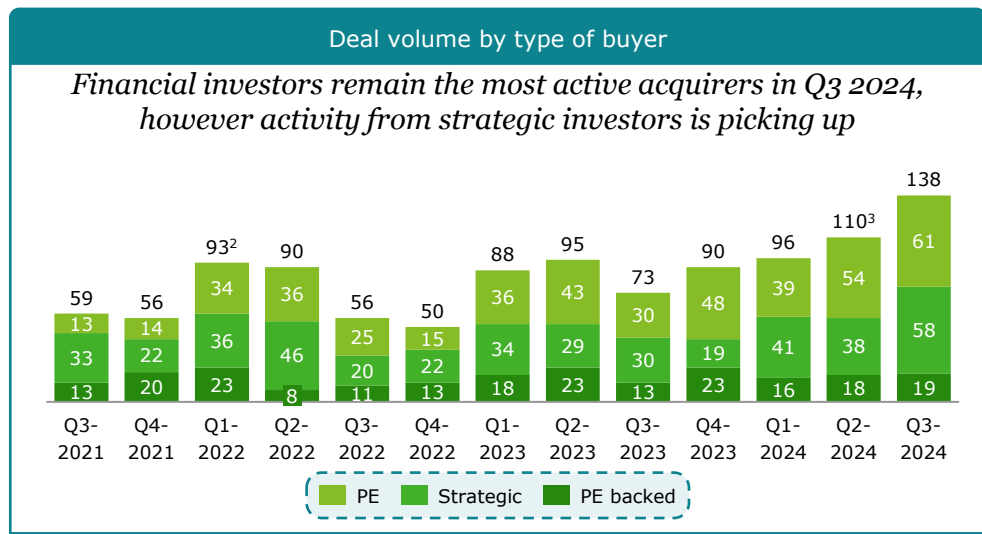
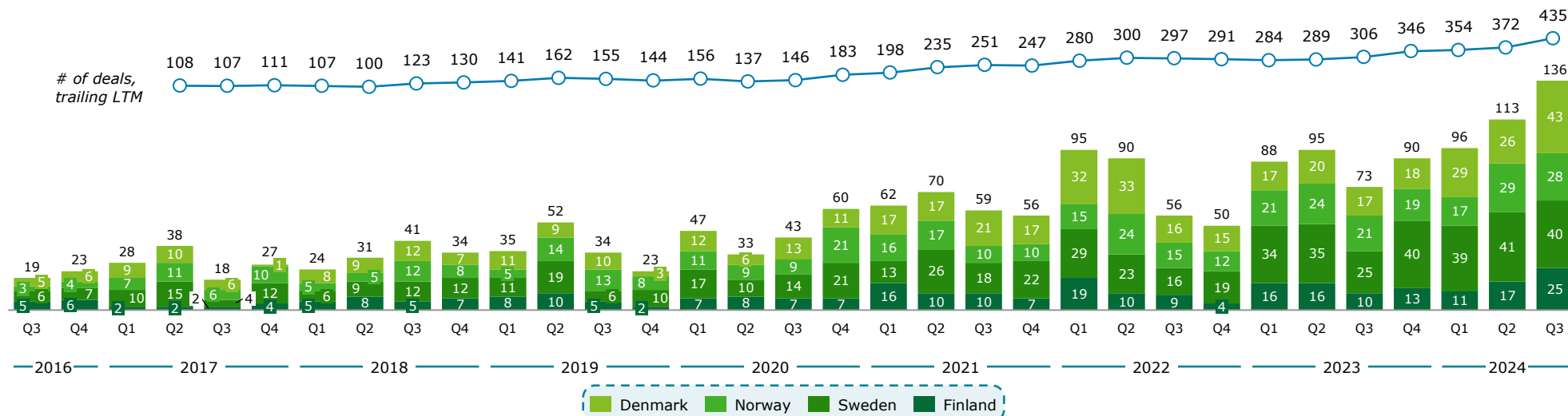


Over the past two quarters, a negative profitability premium has emerged, indicating a renewed focus on growth

Note: 1) Starting in Q3, we transitioned to the median index to mitigate outliers' impact on the profitability premium  
 Source: Deloitte; S&P's Capital IQ

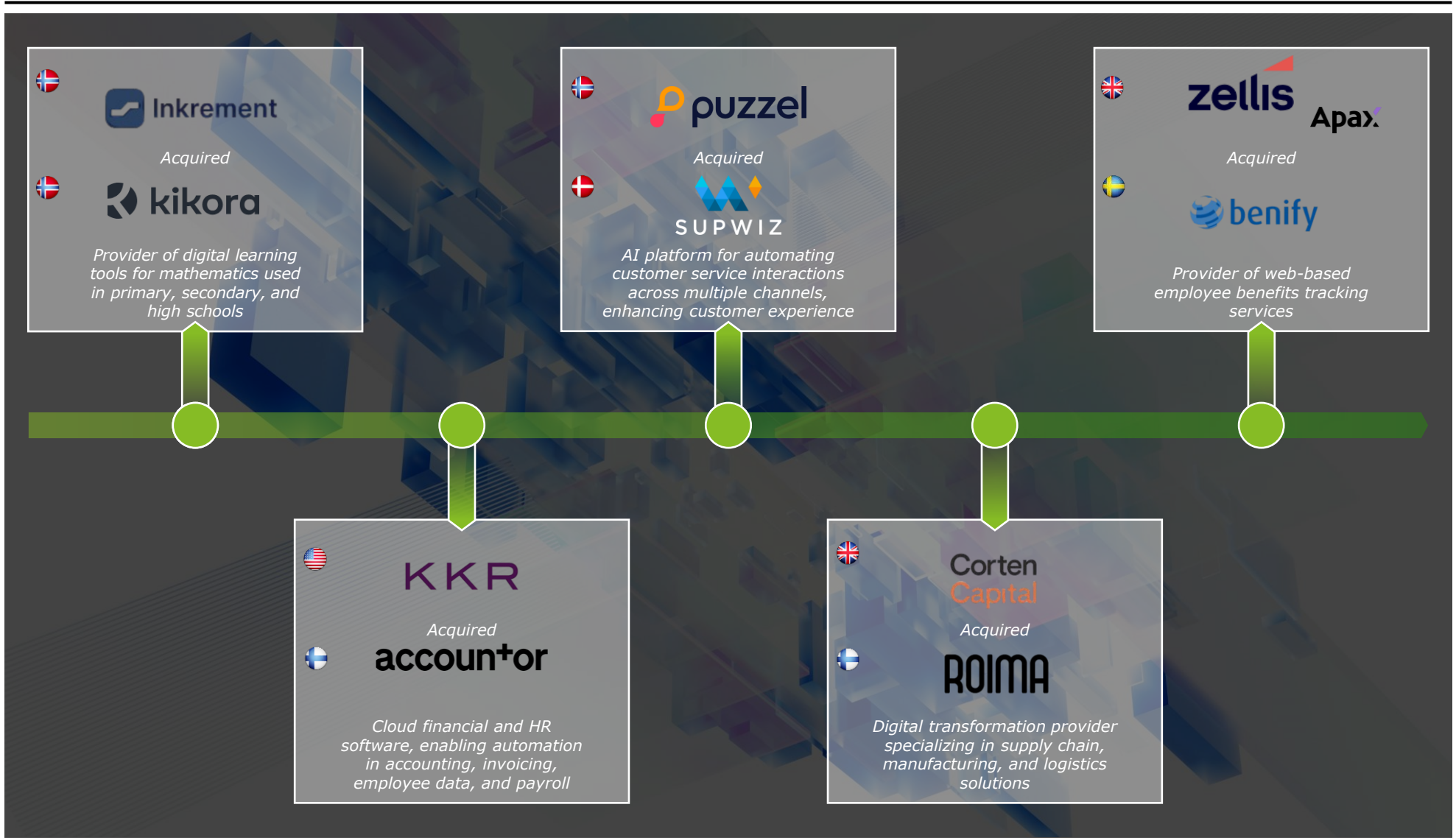
# Deal activity in the Nordic Software industry remains high in Q3 2024

Software deal volume across the Nordic countries (# of transactions<sup>1</sup>)

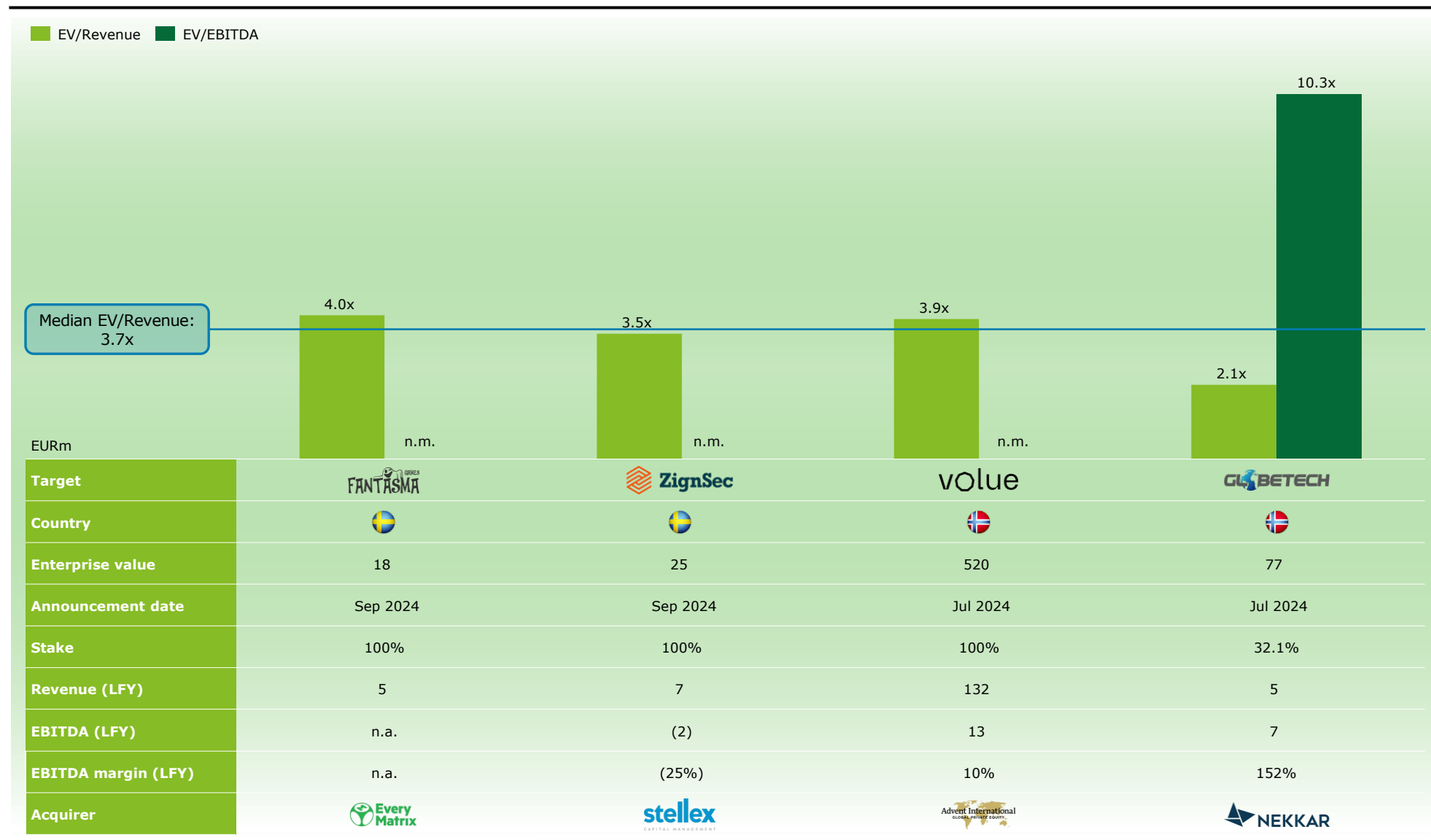


Note: 1) Deal volume based on Mergermarket industry category "Computer software" excluding undisclosed target companies; 2) Two transactions in Q1 2022 is excluded due to the buyer being "Undisclosed"; 3) Three transactions in Q2 2024 is excluded due to the buyer being "Undisclosed". Source: Mergermarket; Deloitte

# Selected Q3 2024 software transactions in the Nordics



# Selected Nordic software transactions traded at a median multiple of 3.7x LFY EV/Revenue



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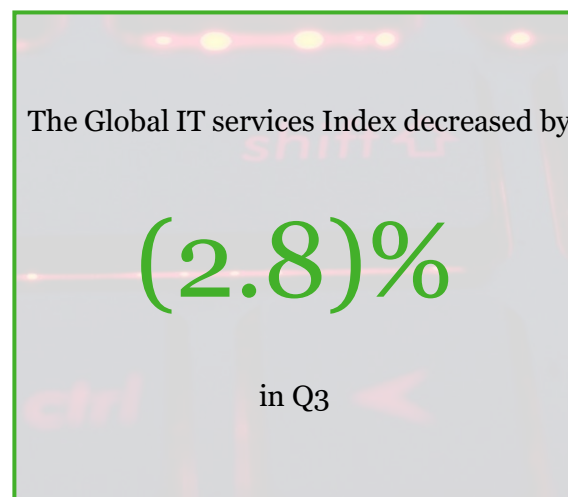
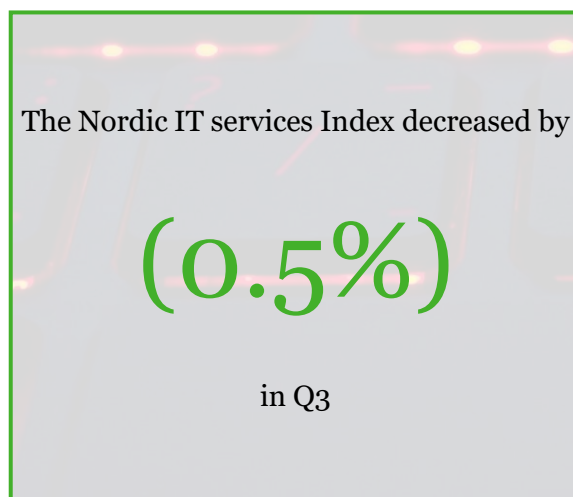
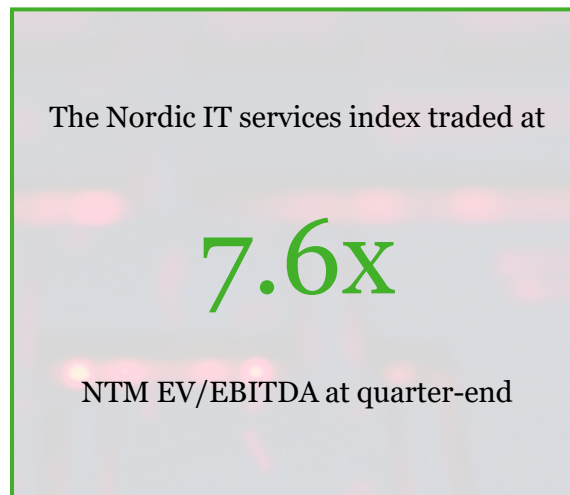
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### Deloitte insights

- Recent Deloitte credentials
- Sector team & contact details

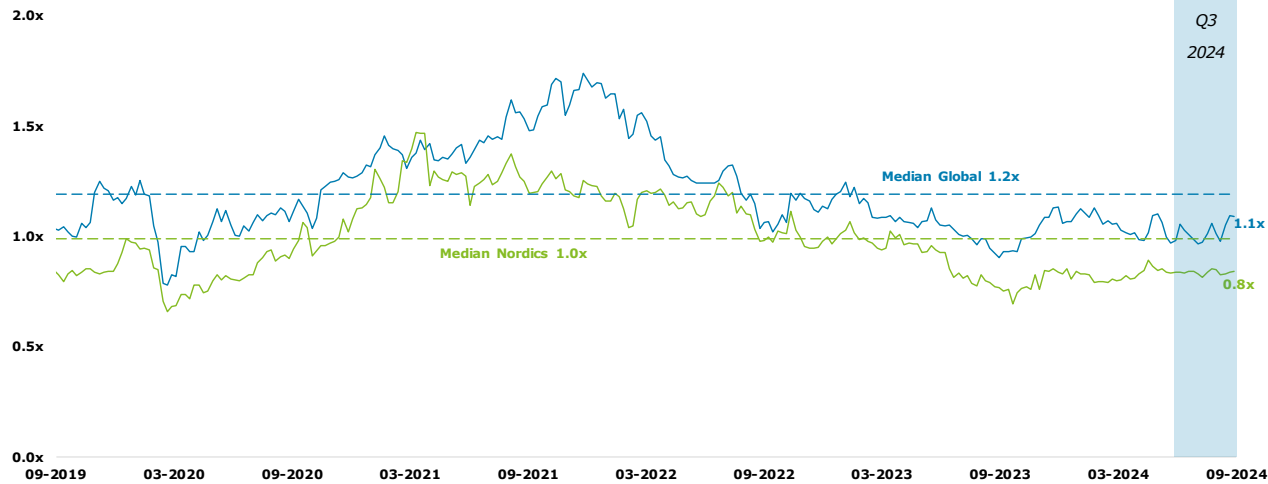
## Key IT services activities Q3 2024

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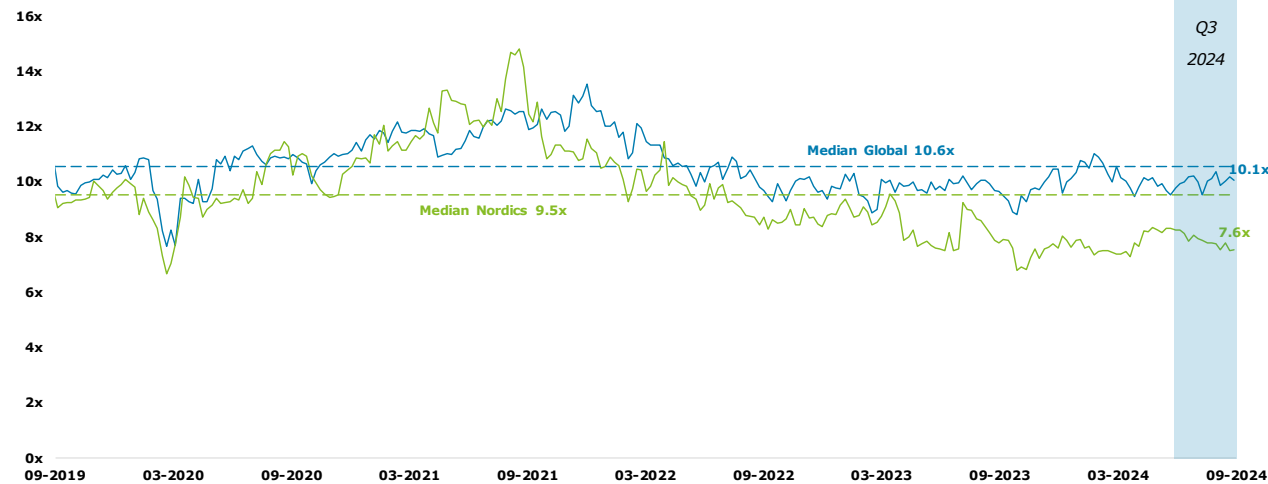
# Widening valuation gap between Global and Nordic indexes

Nordic IT services Index NTM EV/Revenue



The Nordic IT Services Index closed Q3 at 0.8x EV/Revenue, compared to 1.1x for the Global IT Services Index

Nordic IT services Index NTM EV/EBITDA

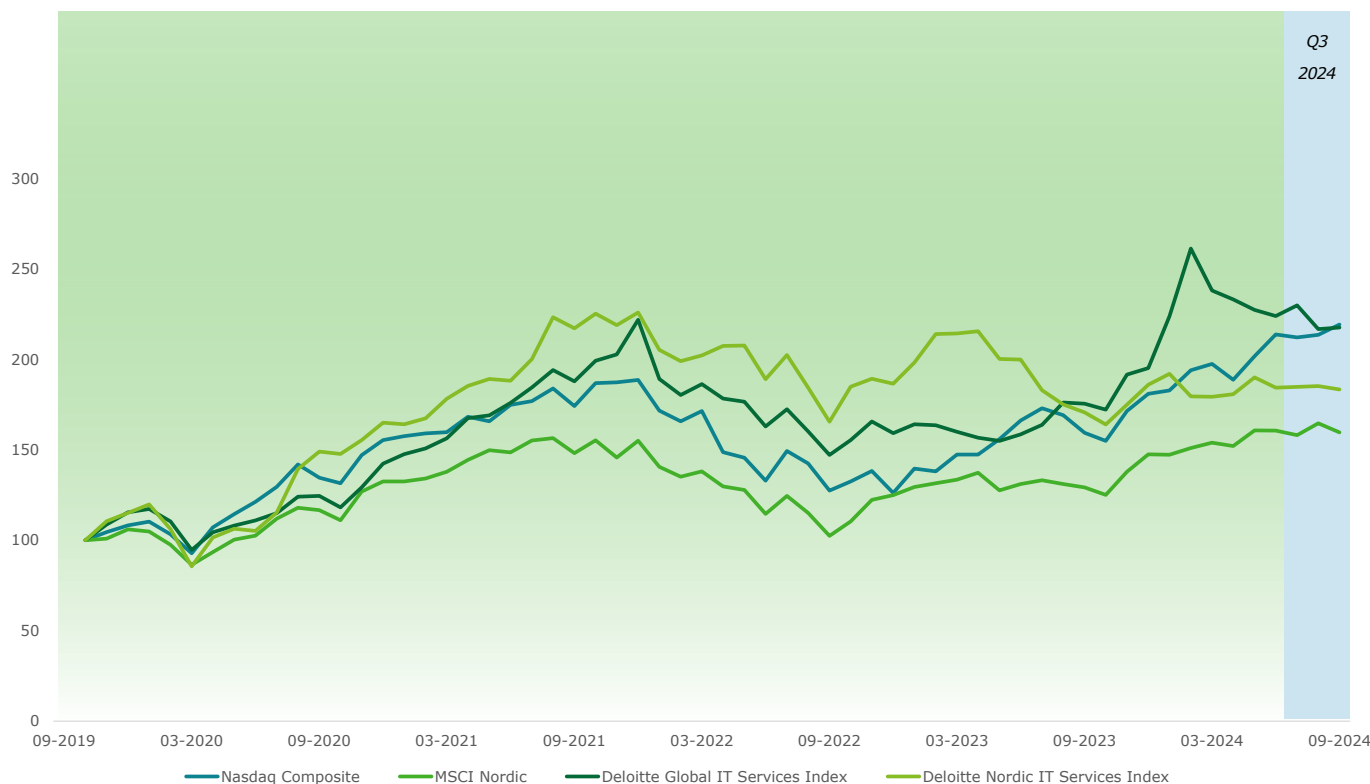


The Nordic IT Services Index closed Q3 at 7.6x EV/EBITDA, while the Global IT Services Index ended at 10.1x, further widening the gap between the two

# Nordic IT Services Index shows relative stability over global counterpart

Indexed stock price development for various indices, start point: 100

The Nordic IT Services Index decreased by (0.5%) in the last quarter, showing a more stable performance compared to the Global IT Services Index, which decreased by (2.8%) over the same period



**Deloitte Nordic IT services index: 183**

*Index development*  
 L3M: (0.5%)  
 L6M: 2.2%  
 LTM: 7.4%

**Deloitte Global IT services index: 218**

*Index development*  
 L3M: (2.8%)  
 L6M: (8.6%)  
 LTM: 24.0%

**Nasdaq Composite: 219**

*Index development*  
 L3M: 2.6%  
 L6M: 11.0%  
 LTM: 37.6%

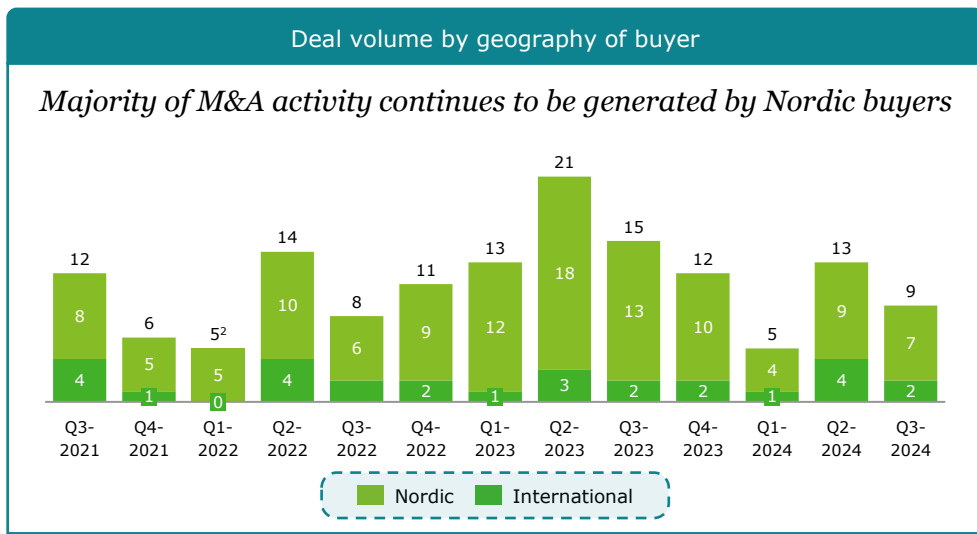
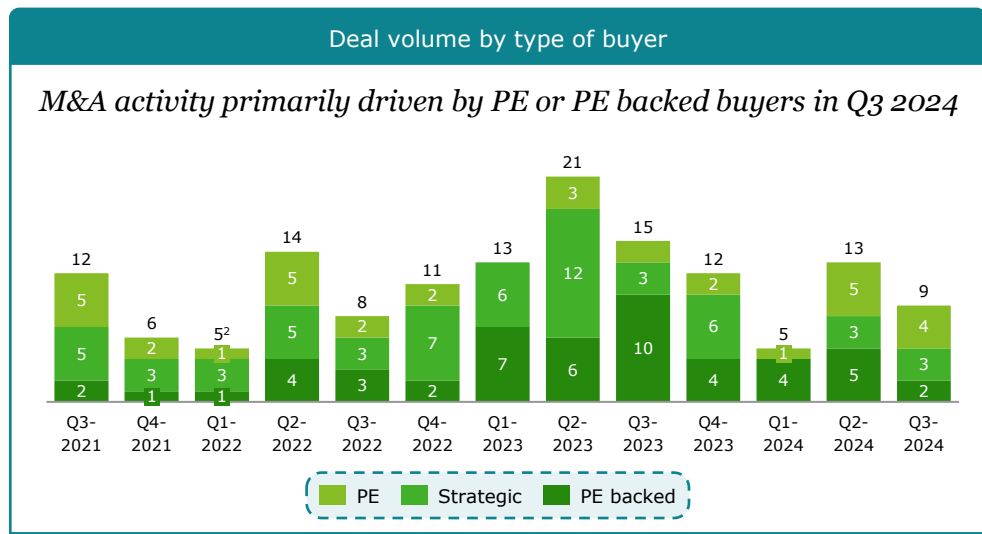
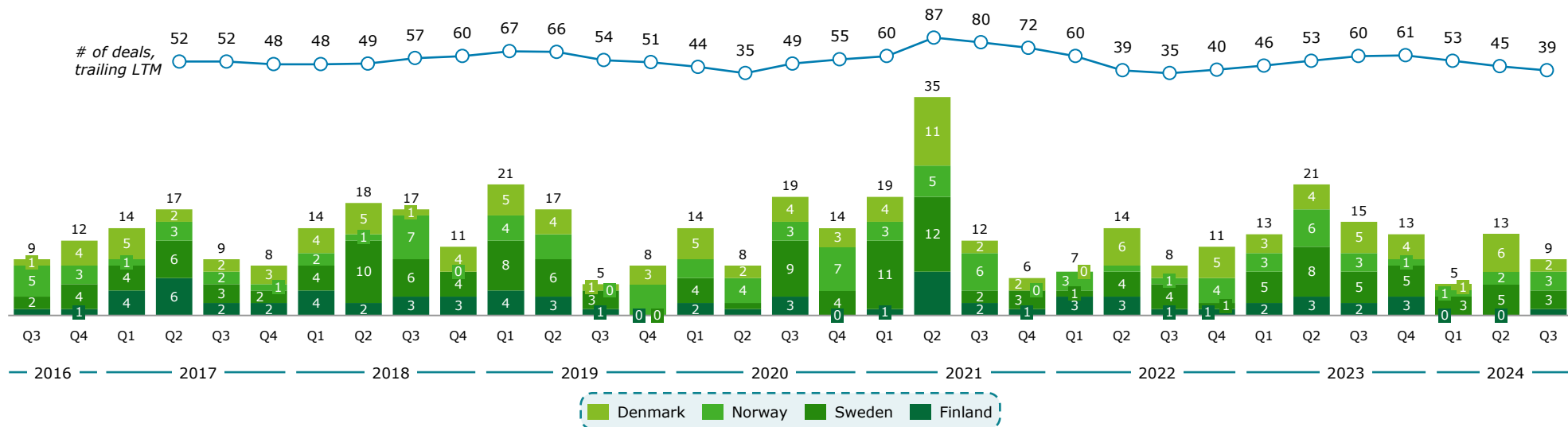
**MSCI Nordic: 160**

*Index development*  
 L3M: (0.6%)  
 L6M: 3.7%  
 LTM: 23.5%



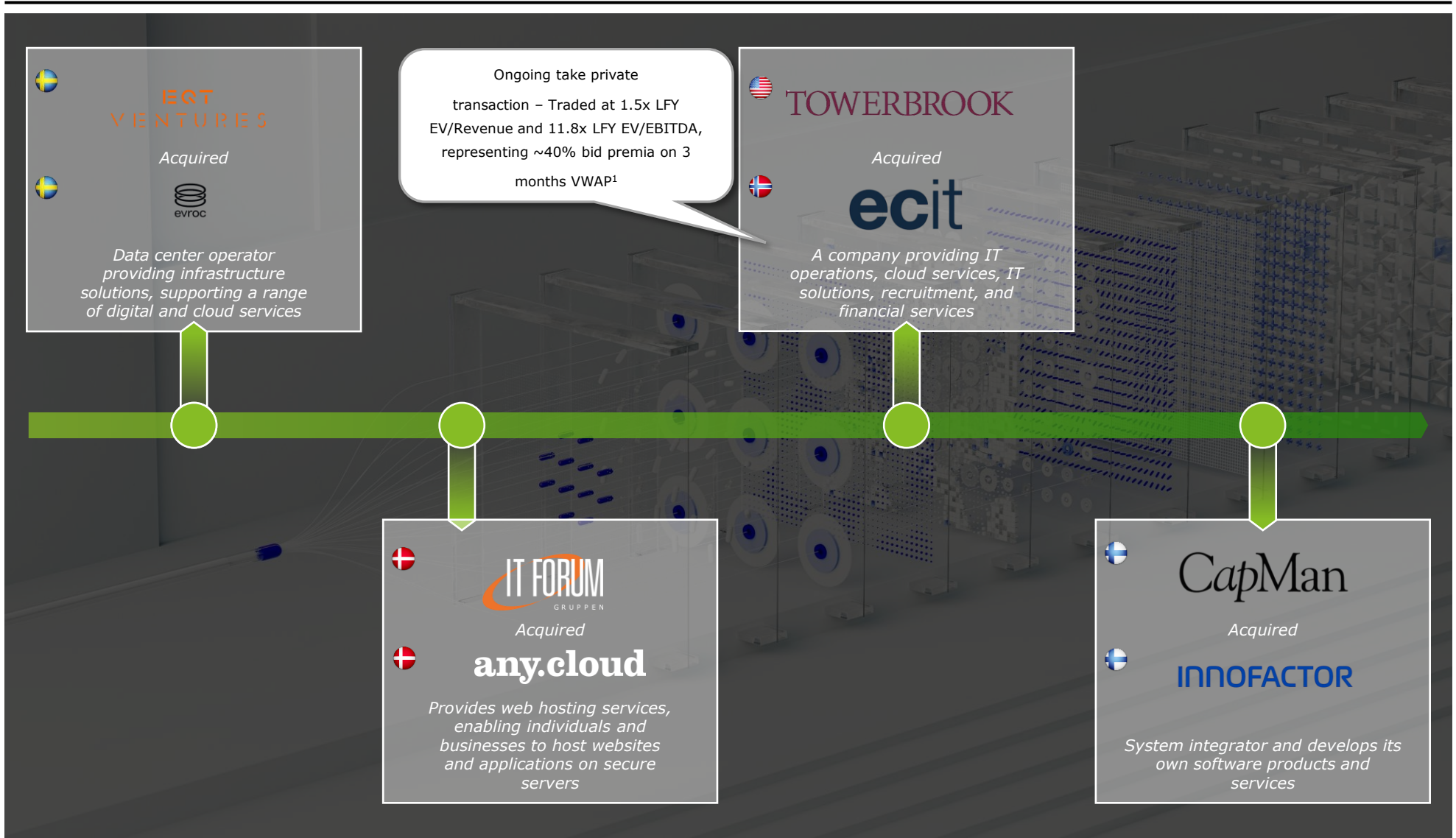
# Slight decline in IT Services M&A activity in Q3

IT services deal volume across the Nordic countries (# of transactions<sup>1</sup>)



Note: 1) Deal volume based on Mergermarket industry category "Computer services" excluding undisclosed target companies; 2) Two transactions in Q1 2022 is excluded due to the buyer being "Undisclosed". Source: Mergermarket; Deloitte

# Selected Q3 2024 IT services transactions in the Nordics



Note: 1) Volume-weighted average price  
 Source: Mergermarket; Press releases; Company websites

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## Key Media & Telco activities in Q3

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21

Transactions within the Nordic Media & Telco space

17

Nordic Media & Telcos transactions up from 8 in Q2

12

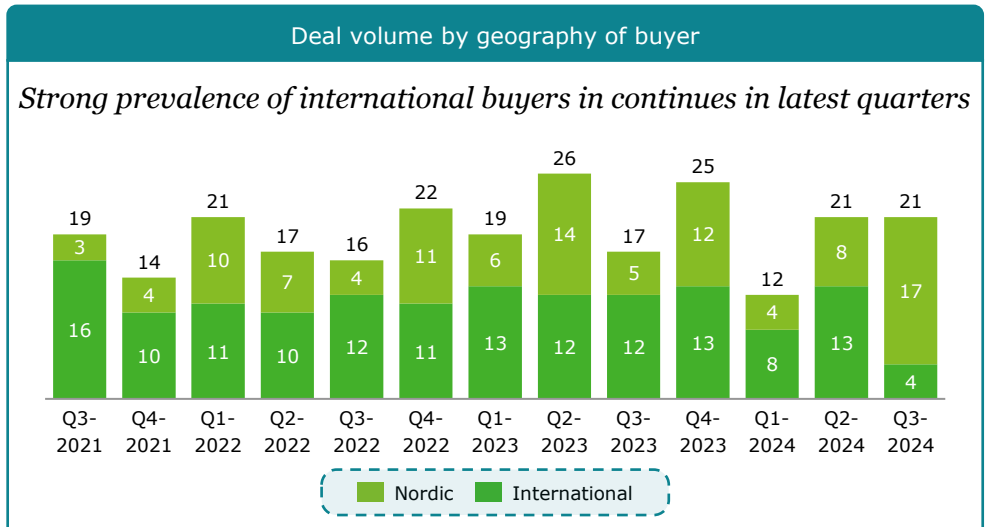
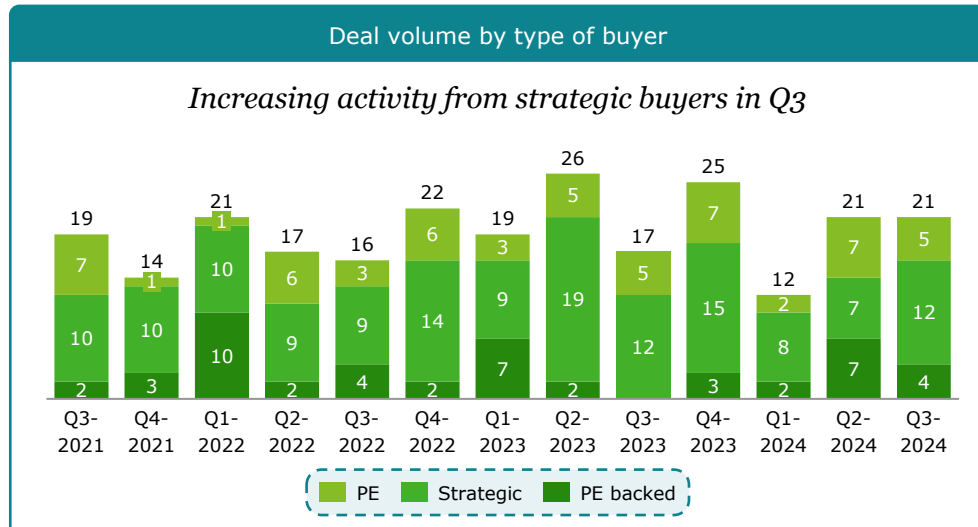
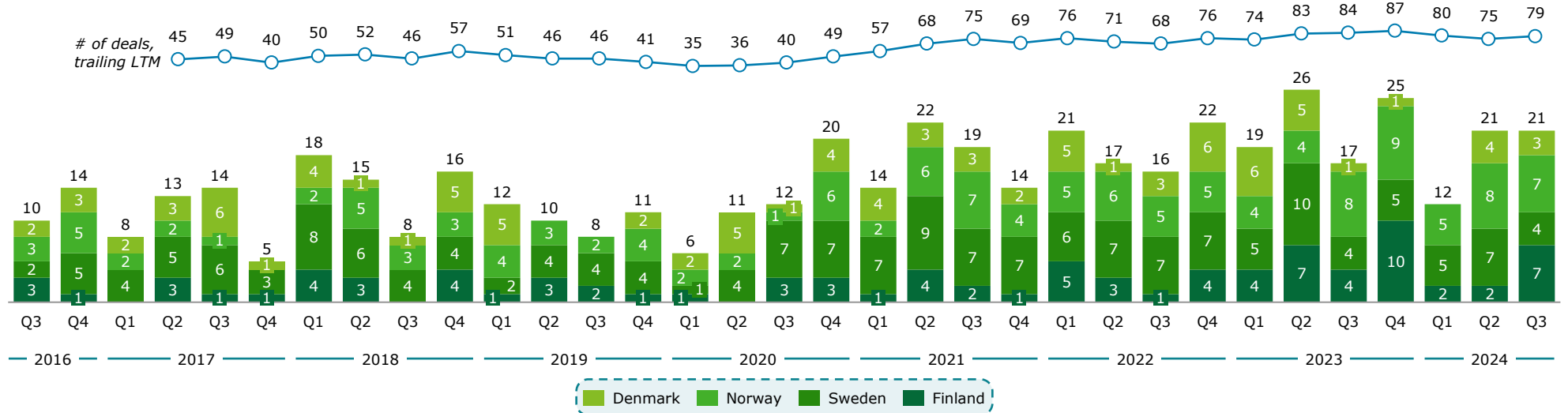
Strategic Nordic Media & Telco acquisitions up from 7 in Q2

4

Additional Nordic Media & Telco transactions occurred in Q3 2024 compared to Q3 2023

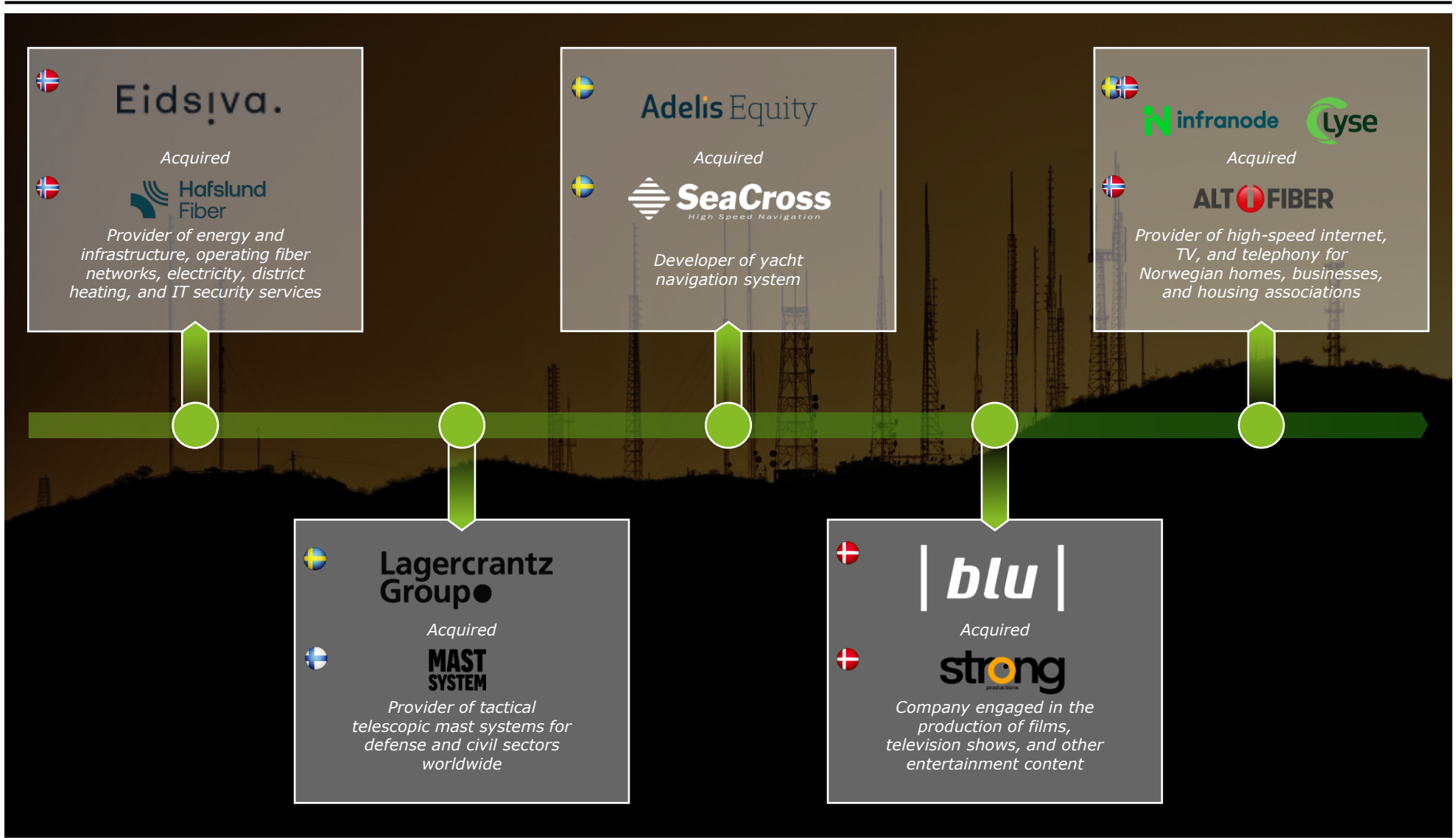
# Increasing Media & Telco M&A activity in Q3 2024 compared to Q3 2023

Media & Telco deal volume across the Nordic countries (# of transactions<sup>1</sup>)



Note: 1) Deal volume based on Mergermarket industry categories "Media", "Telecommunications: Hardware", "Telecommunications: Carriers" excluding undisclosed target companies  
 Source: Mergermarket; Deloitte

## Selected Q3 Media & telco transactions in the Nordics



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## Deloitte insights

- Recent Deloitte credentials
- Sector team & contact details

# Deloitte is one of the most active advisors on the Nordics' TMT sector

## Examples of credentials on which Deloitte Corporate Finance acted as M&A advisor

<p>Advised</p> <p>on the acquisition of</p> <p>2024</p>	<p>Advised</p> <p>on the sale to</p> <p>2024</p>	<p>Advised</p> <p>on the sale to</p> <p>2024</p>	<p>Advised</p> <p>on the sale of  to</p> <p>(a portfolio company of )</p> <p>2024</p>	<p>Advised</p> <p>on the sale to</p> <p>(a portfolio company of )</p> <p>2024</p>
<p>Advised</p> <p>on the acquisition of</p> <p>2024</p>	<p>Advised</p> <p>on the sale of  to</p> <p>2024</p>	<p>Advised</p> <p>on the sale to</p> <p>2024</p>	<p>Advised</p> <p>on the sale of  and identity services to</p> <p>2023</p>	<p>Advised</p> <p>on the sale to</p> <p>2023</p>
<p>Advised</p> <p>on the sale to</p> <p>2023</p>	<p>Advised</p> and founders <p>on the sale of  to</p> <p>2023</p>	<p>Advised</p> <p>in the merger with</p> <p>2023</p>	<p>Advised</p> <p>on the sale to</p> <p>2023</p>	<p>Advised</p> <p>on the sale to</p> <p>2022</p>
<p>Advised</p> <p>on the acquisition of</p> <p>2022</p>	<p>Advised</p> <p>on the acquisition of a 49% stake in</p> <p>2022</p>	<p>Advised</p> <p>on the sale to</p> <p>2022</p>	<p>Advised</p> <p>on the sale of  to</p> <p>2022</p>	<p>Advised</p> <p>on the acquisition of</p> <p>2022</p>



# Project “Valley” – Acquisition of Altifiber on behalf of Infranode

## Introduction to Altifiber

Exclusive financial adviser to

in the acquisition of

September 2024

- With more than 30 000 active customers, Altifiber AS is a leading fiber infrastructure provider offering internet and TV services
- The company was established in 2002 and operates in southwestern Norway, catering to both urban and rural populations
- Lyse has been a minority owner in Altifiber since 2002, alongside Dalane Energi and eight other minority shareholders, who are now divesting their 65% stake



~740

ARPU (blended)



~31,000

Homes connected



Network operator

**Transaction:** Buy-side

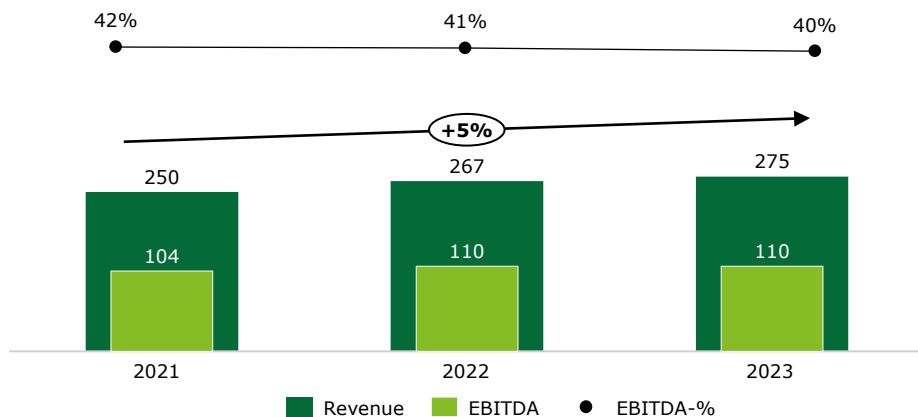
**Enterprise value:** Undisclosed

**Equity value:** Undisclosed

**Process:** Broad

**Year:** 2024

## Financials (NOKm)



## The Valley process and key takeaways

### Key Highlights

Buy-side process with multiple due diligence tracks coordinated by Deloitte Corporate Finance, incl. financial and tax due diligence

Infranode signed an agreement to acquire a 49% stake in Altifiber. The remaining shares will be owned by Lyse, which is increasing its ownership to 51% (from 34%)

### Deal dynamics



Dalane Energi and other private shareholders explored the opportunity to divest their 65% stake in a structured process



The acquisition marks another fibre transaction for Infranode and Lyse this year. It also aligns with the trend of increased interest in Norwegian infrastructure

### Deloitte value-add services



Deloitte CF acted as project lead and exclusive financial advisor to Infranode in the process, also providing financial, structuring and tax due diligence services



Assisted with the preparation of relevant documentation and presentation material, modelling & valuation, seller discussions and negotiations

## Introduction to Kikora

Exclusive financial adviser to

In the sale of subsidiary

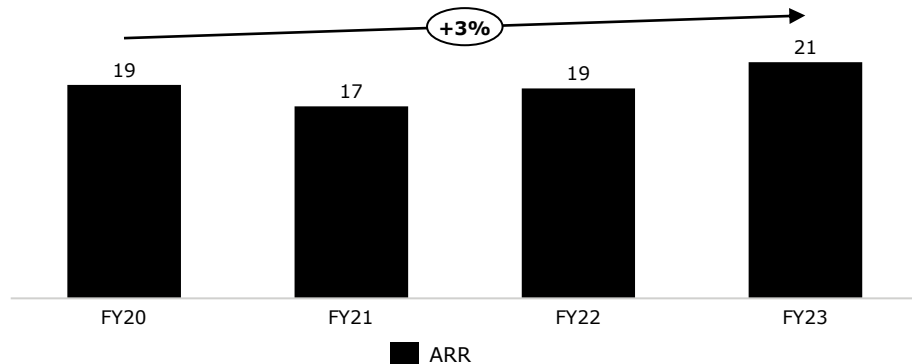
to Inkrement

A portfolio company of HAWK  
August 2024

- Market leading digital e-learning platform for maths, providing software for learning, discussion tools, analytics and reporting
- Attractive customer base with strong position in Norway with ~50% of the 30 largest Norwegian municipalities as customers
- Inspera, a portfolio company of CGE Partners, sought to dispose of 100% of Kikora AS to fully focus on its core business in Higher Education and Awarding Bodies, thereby enabling full focus on the K12 segment for Kikora

**Transaction:** Sell-side  
**Enterprise value:** Undisclosed  
**Equity value:** Undisclosed  
**Process:** Focused auction  
**Year:** 2024

## Financials (NOKm)



## The Calculus process and key takeaways

### Key Highlights

Competitive process with strategic and private equity backed companies interested in Kikora’s unique software offering and strong market position

The combination of Kikora and Inkrement creates the market leader for digital teaching tools within maths in Norway

### Deal dynamics

Focused process designed for strategic buyers

Technology fit and joint market growth opportunities key focus areas for the interested parties

### Deloitte value-add services

Deloitte CF acted as project lead and exclusive financial advisor

Support in buyer dialogue, due diligence process, discussion with owners, and general management support

Securing attractive terms through management of competitive dynamics and negotiation tactics

# Deloitte Corporate Finance professionals covering TMT in the Nordics

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