

# MPG | MADISON PARK GROUP

## Insights

### Market Update Fall 2022 M&A Report

November 2022

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## Fall 2022 M&A Market Update

MADISON PARK GROUP

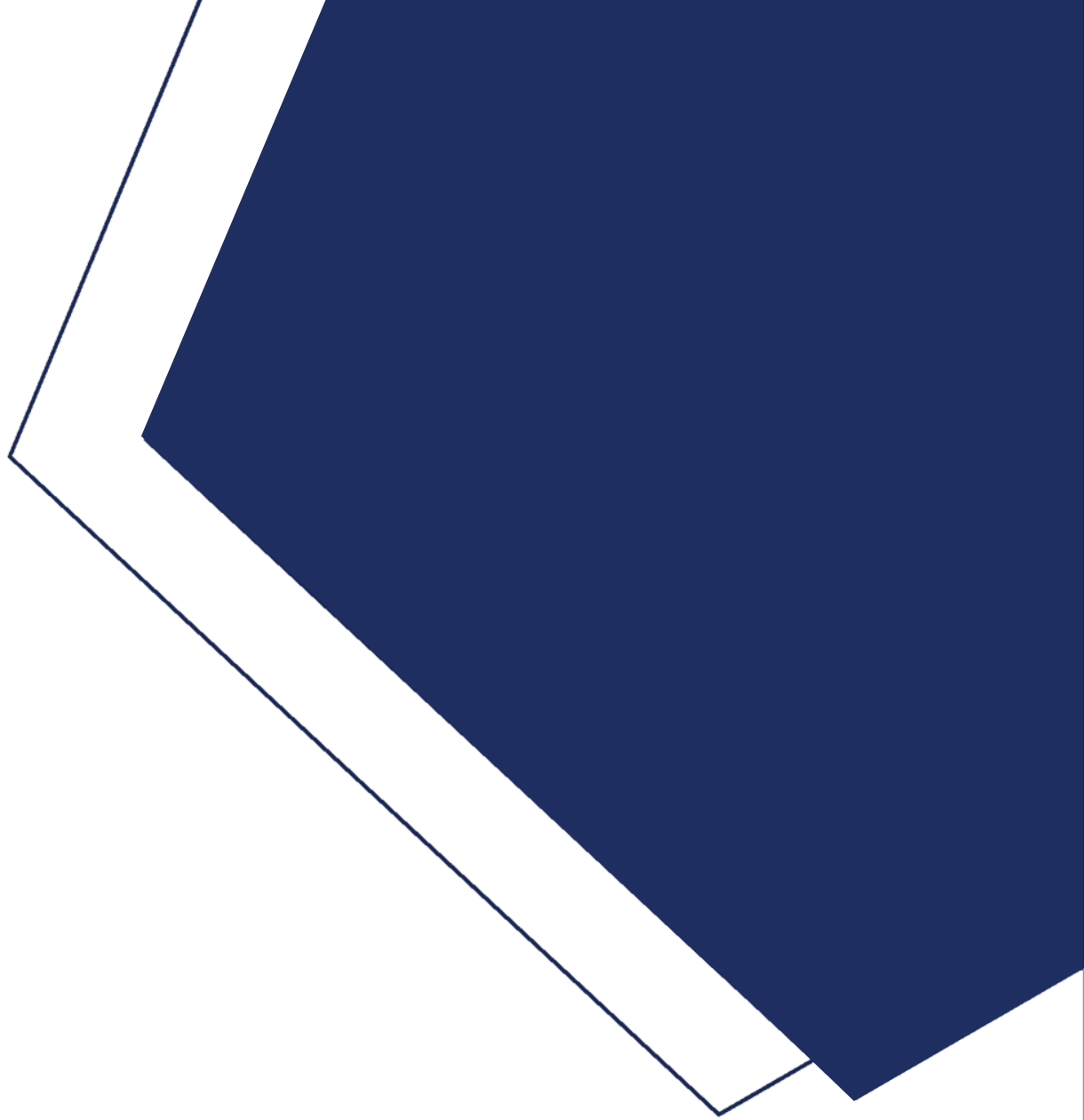
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I.



The Big Picture



# Q3 2022 M&A Activity

## M&A Continues to Slowdown as Public Valuations Stumble, But Activity Remain Elevated – Even If Not at 2021 Levels

- Tech M&A volume remains resilient with +1,400 transactions completed in Q3, representing a 20.7% QoQ decline – however buyers are retrenching around security and are pursuing less transformative M&A (at lower prices) as evidenced by a +48% YoY decline in deal value
  - Take-private deal making was active throughout Q3 with over \$88 billion in deals announced year-to-date
  - Some strategic buyers have discontinued M&A programs in light of market volatility
  - Robust capital availability amongst private equities and their portfolio companies continues to drive elevated bidding dynamics


### Key Announcements & Market Events

#### Strategic Acquisitions

Adobe Snaps Up Figma for \$20bn, Taking Out One of Its Biggest Rivals in Digital Design  
 Sep 2022 

Lemonade Closes On Acquisition of Insurtech Metromile  
 Jul 2022 

Penlink Acquires Geotime  
 Sep 2022 


Tremor International to Buy Adtech Firm Amobee for \$239 Million  
 Jul 2022 

Canada's Telus Strikes C\$2.9bn Deal for LifeWorks in Healthcare Push  
 Sep 2022 

Shopify Completes Acquisition of Deliverr to Expand Fast and Easy Fulfillment  
 Jul 2022 

Transporeon Acquires Tracks, Expanding Its Leadership Role for Sustainability in Freight Technology  
 Aug 2022 

Aptean Extends its Food and Beverage ERP Presence Through Produce Pro Acquisition  
 Jul 2022 

IRI and NPD complete merger, creating a leading global technology, analytics and data provider  
 Aug 2022 


IFS Acquires ULTIMO  
 Jul 2022 


#### Take-Private Transactions

Cybersecurity firm KnowBe4 to go Private in \$4.6b deal with Vista Equity Partners  
 Sep 2022 

ForgeRock to Be Bought by Thoma Bravo in \$2.3b Cash Deal  
 Sep 2022 

Vista Equity Partners and Evergreen Coast Capital Announce Completion of Citrix Acquisition  
 Sep 2022 

CommerceHub to Acquire ChannelAdvisor for \$23.10 Per Share  
 Aug 2022 

Thoma Bravo Picks Up Ping Identity for \$2.8b in an All-Cash Deal  
 Aug 2022 

Turn/River Capital Completes Acquisition of Tufin  
 Jul 2022 

Thoma Bravo Completes Acquisition of SailPoint  
 Aug 2022 

Thoma Bravo Completes Acquisition of Mercell Holding  
 Aug 2022 

Avalara to be Acquired by Vista Equity Partners for \$8.4 Billion  
 Aug 2022 

GTY Technology Holdings Inc. Announces Completion of Merger with GI Partners  
 Jul 2022 

#### PE Transactions

KKR Completes Acquisition of Barracuda from Thoma Bravo  
 Aug 2022 

Fexa Announces \$40 Million Investment from Mainsail Partners  
 Jul 2022 

Clearlake Capital and TA Associates Complete Acquisition of Kofax  
 Jul 2022 

Operix, Formerly Known as IFS Core, Secures Investment from M33  
 Jul 2022 

Carlyle to Sell Unison Software to Buyout Firm Madison Dearborn  
 Jul 2022 

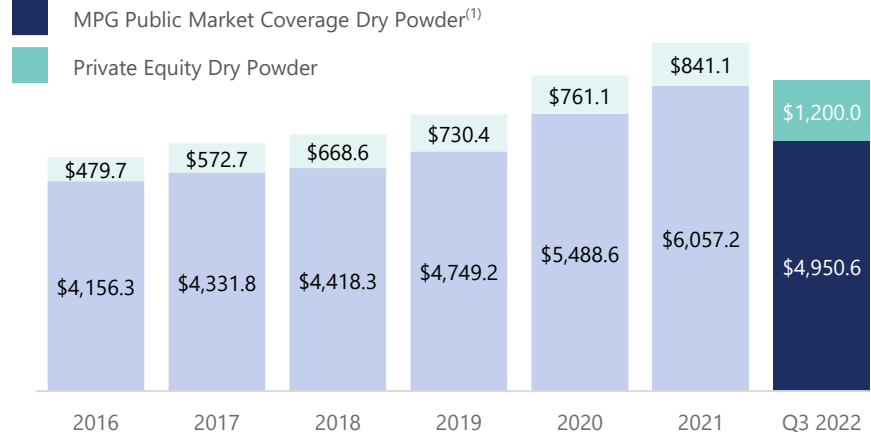
To View News, Click On Source Logo

# What Slowdown?

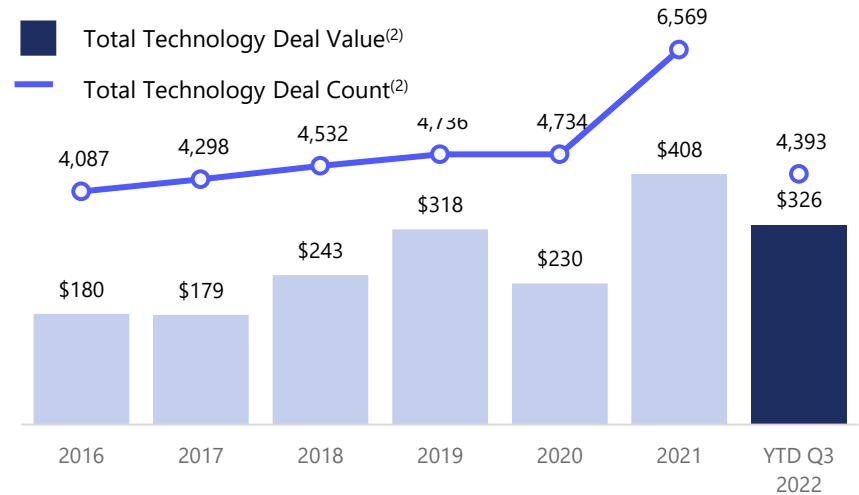
## Valuation Narratives and Anecdotal Evidence Are Obscuring Hard Facts: YTD M&A Transaction Volume Positions 2022 for a Top Year on Record

Dry powder remains at historic levels for both private equity and strategics...

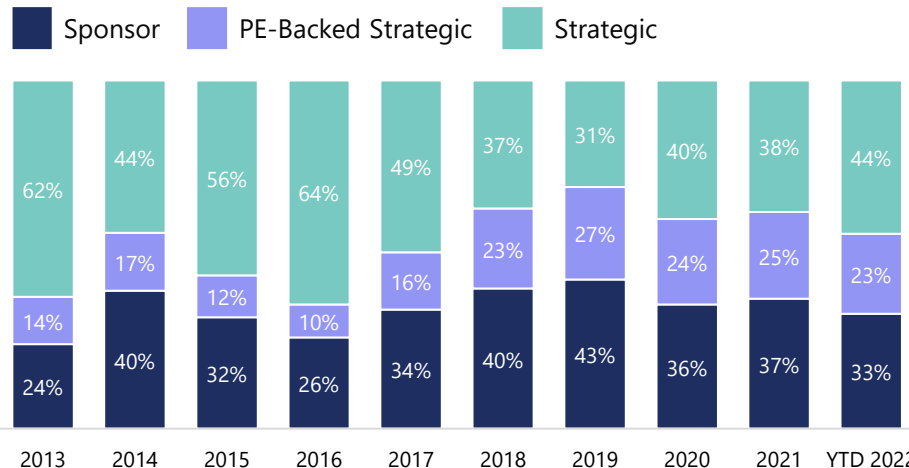
As of December 31 (\$ in billions)



...continuing to drive deal activity through uncertain conditions...

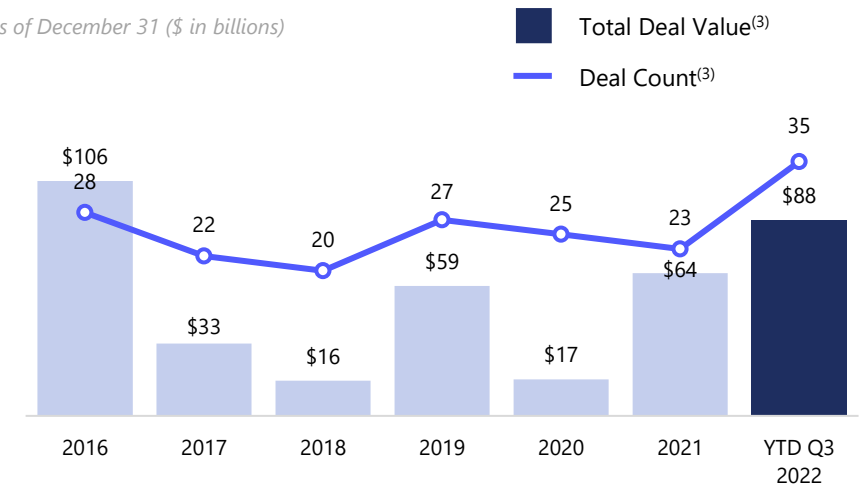


...while PE platforms remain entrenched in the M&A markets...



...and a fresh opportunity emerges for mega-scale private equity

As of December 31 (\$ in billions)



Sources: CapitalIQ, Pitchbook

(1) Dry Powder - Greater of: [(125% of Rec. Rev. less Debt) + (50% of Cash & C.E.) + (20% of Mkt. Cap.)] or [(6x EBITDA less Debt) + (50% of Cash & C.E.) + 20% of Mkt. Cap.]

(2) Defined as transactions in Software, IT Services, and IoT markets

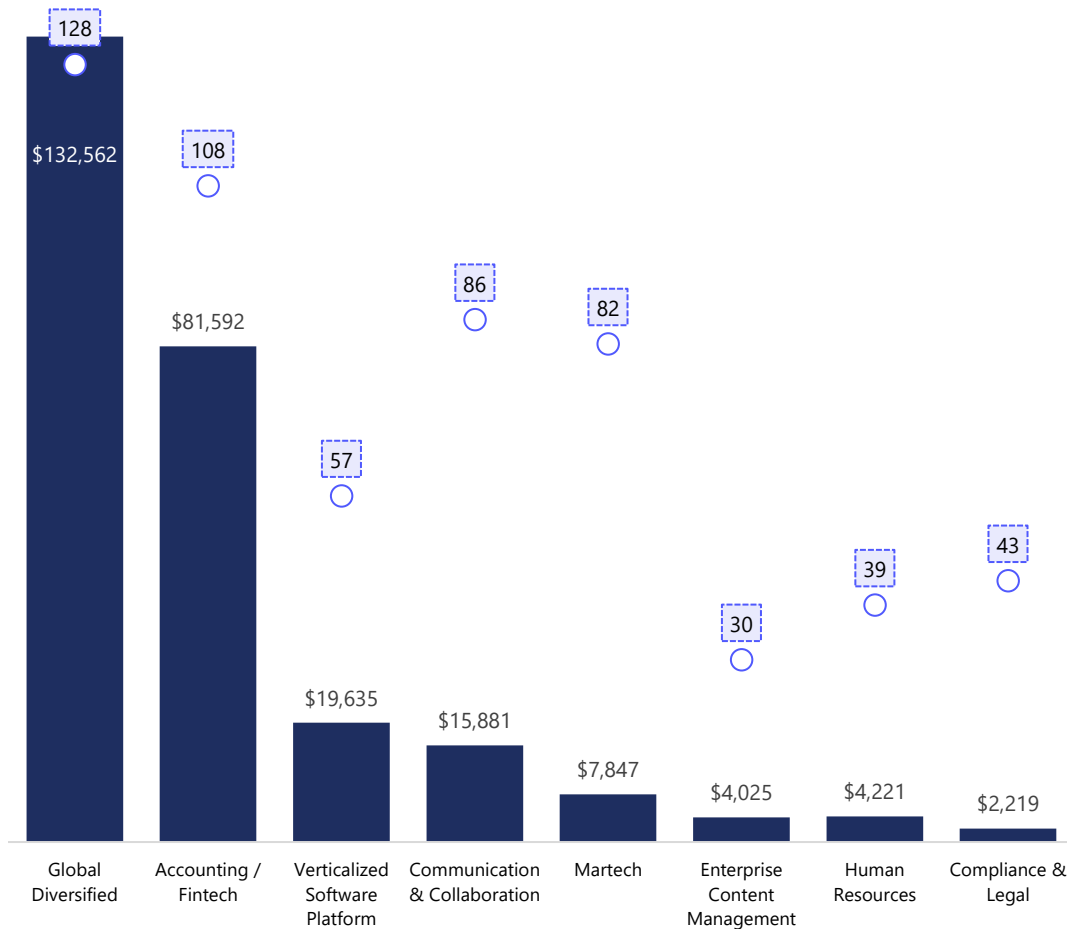
(3) Count and total deal value of Software businesses

# MPG-Tracked Public Software Universe Acquisitions

MADISON PARK GROUP

Corporate & Business Solutions Transactions from Q1 2019 – Q3 2022

## Corporate & Business Solutions



Deal Count (#)



Volume (\$ in millions)

## Select Public Buyers

Buyer	Total Disclosed Transaction Value	Total Transaction Count
salesforce	\$50,370	16
FIS	\$44,773	4
Microsoft	\$28,096	30
intuit	\$19,669	7
amazon	\$15,620	18
vmware	\$6,227	16
CISCO	\$4,975	16
twilio	\$4,312	8
BLACK KNIGHT <sup>(1)</sup>	\$3,349	7
APPLOVIN	\$2,748	7

Sources: Pitchbook, S&P Capital IQ

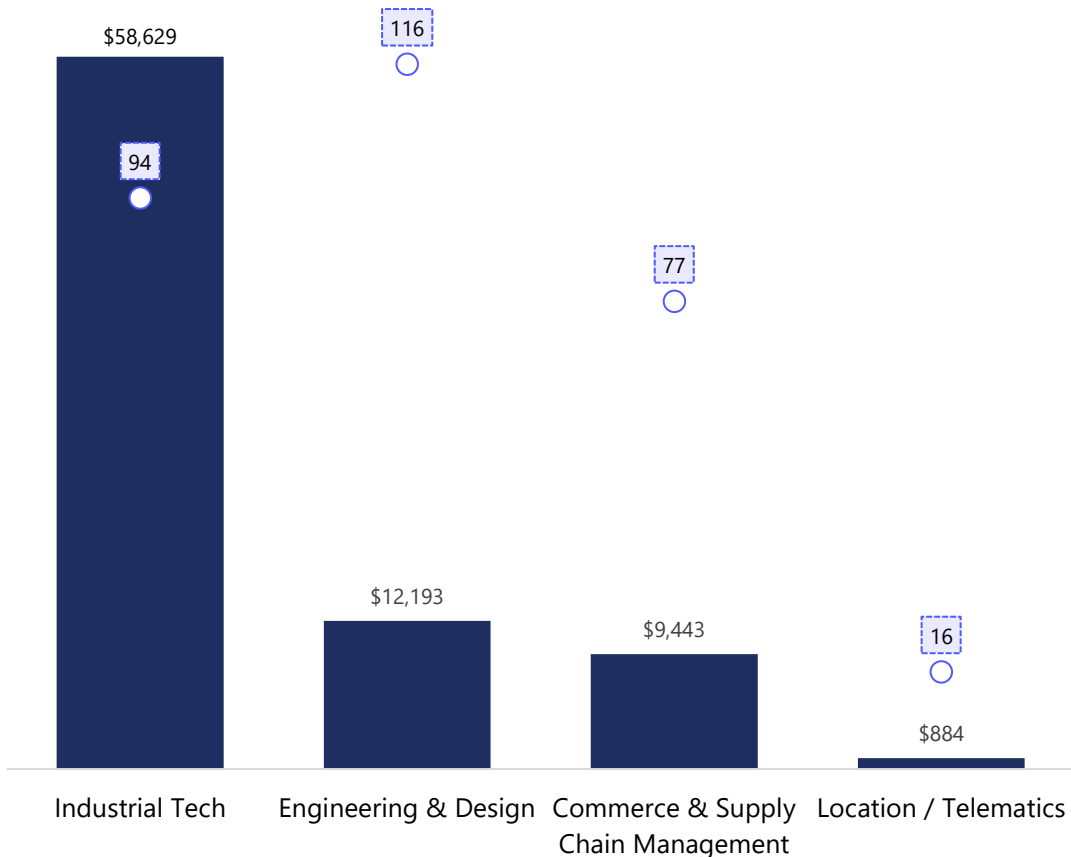
(1) Acquired by Intercontinental Exchange (NYSE:ICE) on May 4, 2022

# MPG-Tracked Public Software Universe Acquisitions

MADISON PARK GROUP

## Industrial Software Transactions from Q1 2019 – Q3 2022

### Industrial Software



Deal Count (#)



Volume (\$ in millions)

### Select Highly Acquisitive Public Buyers

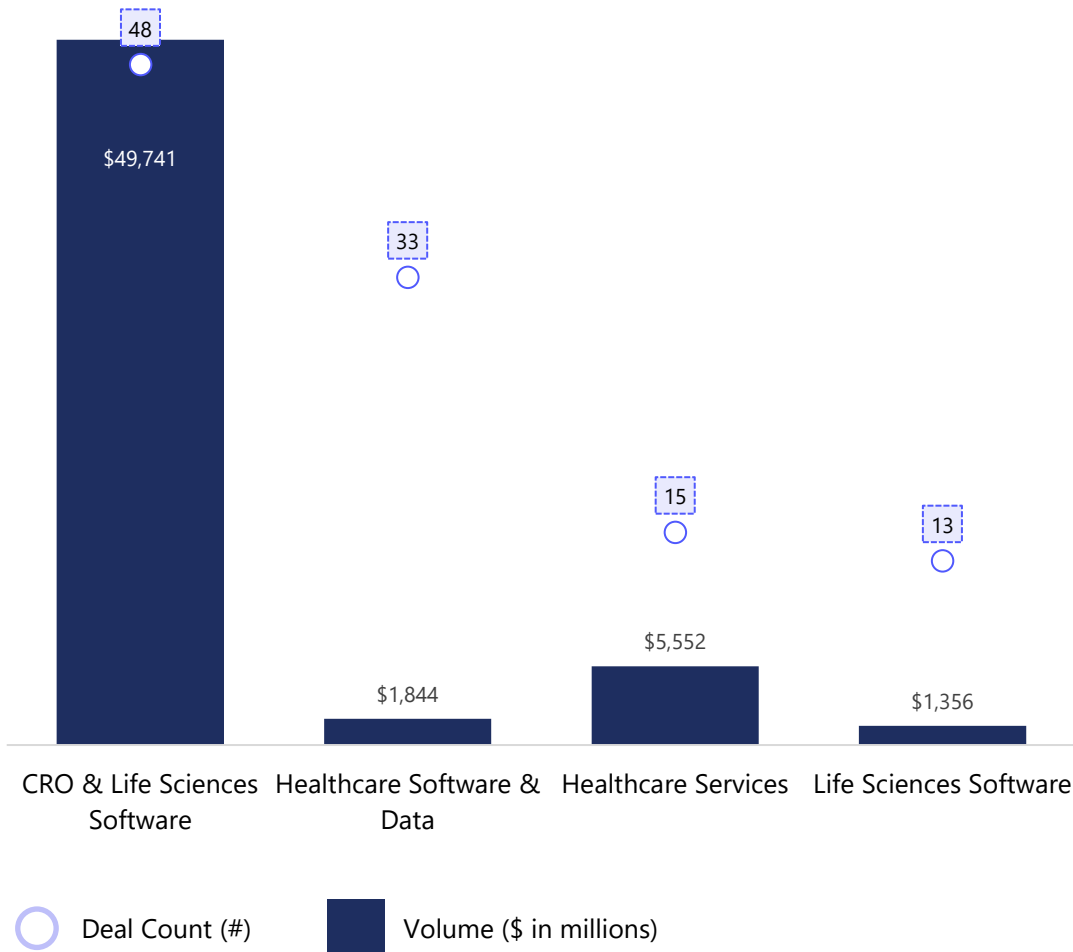
Buyer	Total Disclosed Transaction Value	Total Transaction Count
DANAHER	\$30,825	5
EMERSON	\$8,012	11
HEXAGON	\$3,951	19
FORTIVE	\$2,625	3
Unity®	\$2,420	16
Ansys	\$2,410	10
SIEMENS	\$2,002	7
coupa	\$1,973	6
Bentley®	\$1,813	12
AUTODESK	\$1,431	9

# MPG-Tracked Public Software Universe Acquisitions

MADISON PARK GROUP

## Healthcare & Life Sciences Transactions from Q1 2019 – Q3 2022

### Healthcare & Life Sciences



### Select Highly Acquisitive Public Buyers

Buyer	Total Disclosed Transaction Value	Total Transaction Count
ThermoFisher SCIENTIFIC	\$26,819	12
ICON	\$12,917	4
PerkinElmer	\$6,520	6
charles river	\$2,177	8
Syneos Health	\$769	4
Omnicell	\$587	4
Veeva	\$473	2
Cerner	\$450	2
HealthCatalyst	\$397	6
GoodRx	\$347	5

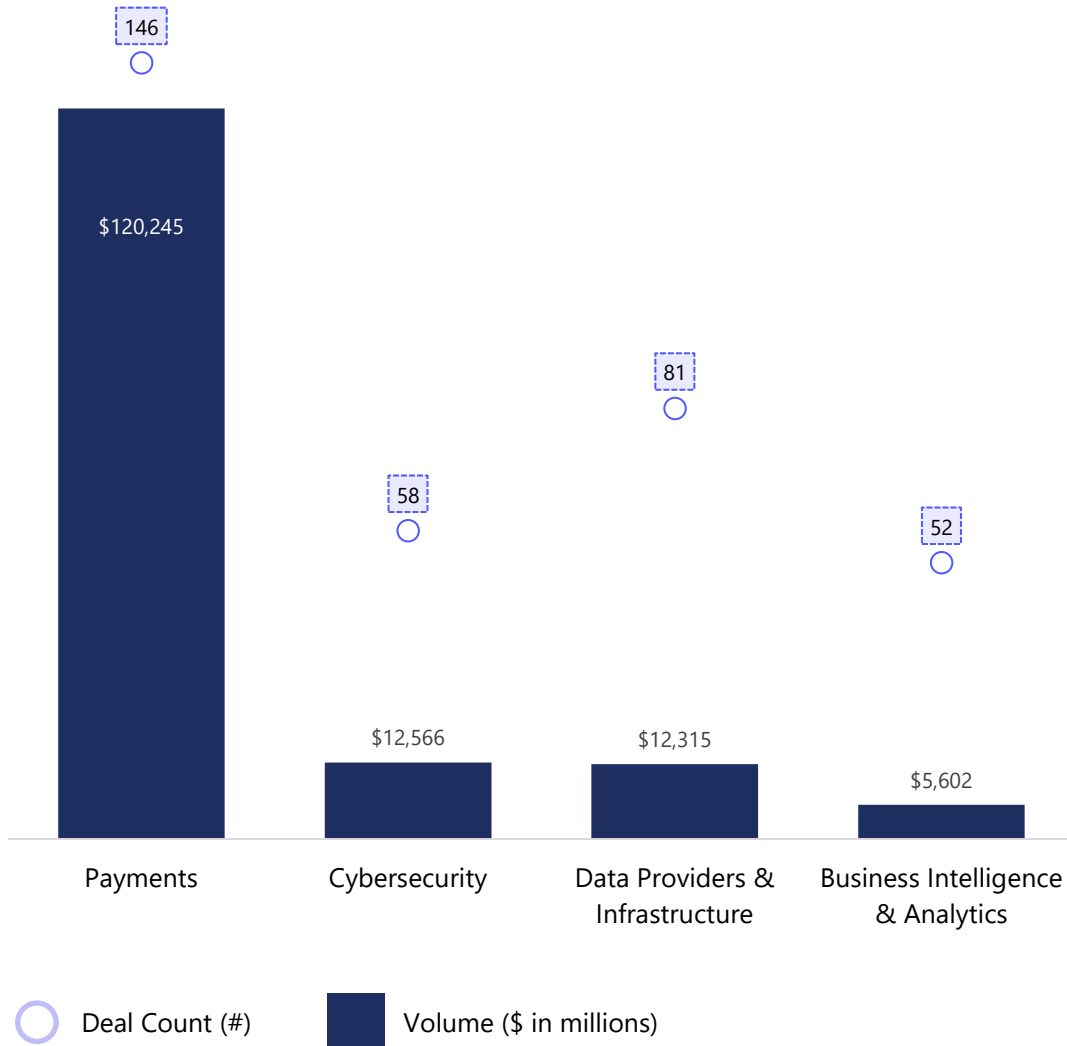


# MPG-Tracked Public Software Universe Acquisitions

MADISON PARK GROUP

## Business Infrastructure Solutions Transactions from Q1 2019 – Q3 2022

Business Infrastructure Solutions



Select Public Buyers

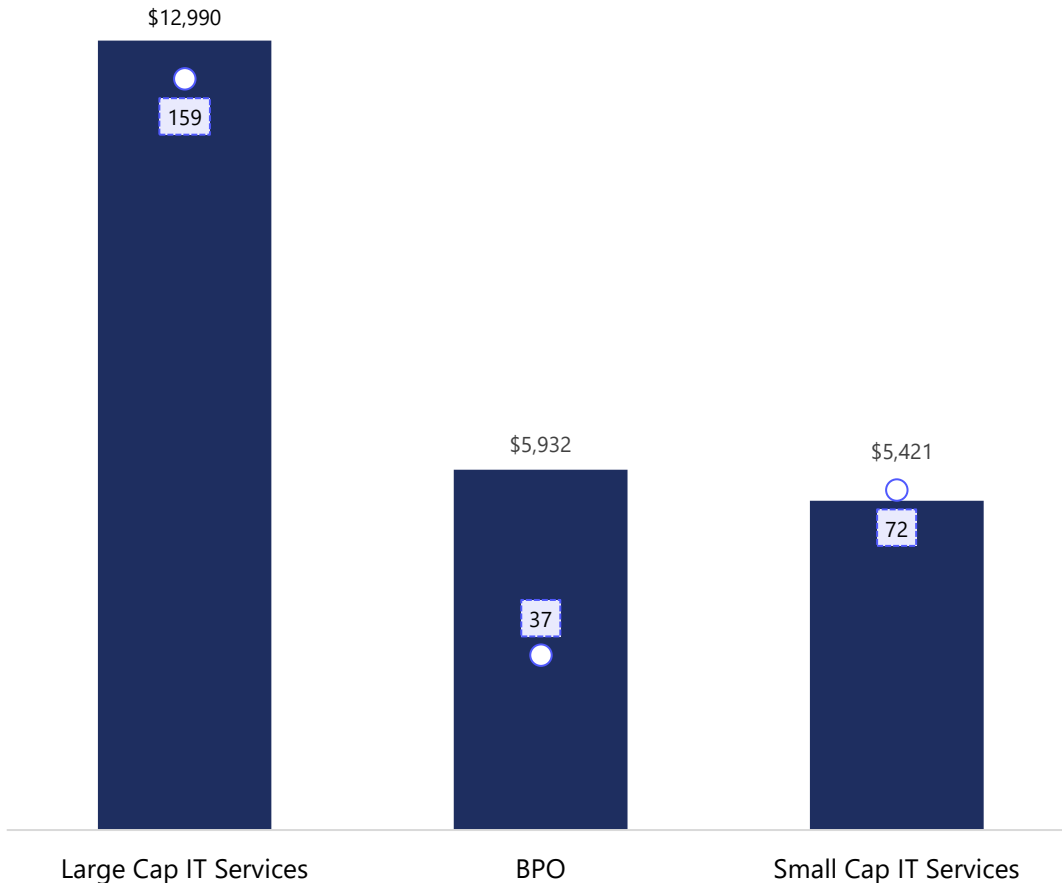
Buyer	Total Disclosed Transaction Value	Total Transaction Count
fiserv.	\$43,233	5
globalpayments	\$32,448	8
WORLDLINE	\$13,630	8
PayPal	\$6,800	5
okta	\$6,642	3
mastercard.	\$5,940	8
MOODY'S	\$3,038	16
NCR	\$2,987	13
paloalto	\$2,830	11
lightspeed	\$2,528	10

# MPG-Tracked Public Software Universe Acquisitions

MADISON PARK GROUP

IT Services Transactions from Q1 2019 – Q3 2022

## IT Services



Deal Count (#)



Volume (\$ in millions)








## Select Highly Acquisitive Public Buyers

Buyer	Total Disclosed Transaction Value	Total Transaction Count
 Capgemini	\$6,296	7
 wipro	\$2,771	12
 cognizant	\$2,604	19
 tieto <i>EVRY</i>	\$2,252	2
 DXC TECHNOLOGY	\$2,073	6
 accenture	\$1,636	108
 CGI	\$755	8
 <epam>	\$370	12
 UNISYS	\$238	3
 Infosys	\$200	1

# Select Notable Active Financial Buyers

MADISON PARK GROUP

Leading Firms Continue to Rapidly Deploy into Quality Assets

Investor	YTD 2022 Deal Count <sup>(1)</sup>	AUM	Dry Powder	Notable 2022 Software / Technology Platform Investments
 VISTA	93	\$94.0b	\$19.9b	Avalara, BetterCloud, BIGTIME, citrix, FLASH, INFO MEDIA™, jebbit, OFFICESPACE, PROJECTOR, RLM APPAREL SOFTWARE, securonix, StarRez, tigerconnect
 Hg	75	\$55.0b	\$7.7b	assurehire MITRATECH, Ideagen, IFS, Leadinfo, ProcessMAP, ukdedicated, ULTIMO, waystone, WORKWAVE™
<b>ALPINE</b>	58	\$8.0b	\$2.6b	CERTIK, Coralogix, CYSIV, McAfee, medius, momentum, PRISMA medios de pago, SETU, sonarsource
 Advent International GLOBAL PRIVATE EQUITY	60	\$76.0b	\$36.9b	AIRDNA, Doggo, fev tutor, hotel effectiveness -actabi, MICHAEL MANAGEMENT, Michigan Fields, OLA ELECTRIC, Trilon
 CLEARLAKE	60	\$70.0b	\$18.9b	BetaNXT, Discovery EDUCATION, edcast, Partner Platform, puppet, Quentic, Quest, sumtotal™, symplr
 THOMABRAVO	52	\$122.0b	\$29.3b	Anaplan, circle CREDIT/SCHOLAR FINANCING, FALCONX, GRAYSHIFT, mindful, project44, Stratasan, UserZoom
 PSG   PROVIDENCE STRATEGIC GROWTH	47	\$16.7b	\$5.4b	dose, spot, impact.com, MixMode™, Pixellot, qmulos, seltsy, VEHLO, Whoz, ZERO NORTH™
<b>GTCR</b>	30	\$27.0b	\$8.9b	CONGRUITY   360, COREMEDIA C, EXPERITY, PrescribeWellness, RS RIVERSTONE TECHNOLOGY, SQUAD.iI
 AKKR ACCEL-KKR	26	\$14.0b	\$4.8b	BIRDEYE, humanforce, MarketMedium A VENDAVO COMPANY, masabi, pegasus, SINGLETRACK, Submittable, sugarcrm
<b>LLR Partners</b>	20	\$5.4b	\$828.0m	MORTGAGECOACH., parkhub, REALTIME CLINICAL TRIAL MANAGEMENT SYSTEMS, Sales Boomerang
<b>Total</b>	<b>521</b>	<b>\$488.1b</b>	<b>\$135.2b</b>	

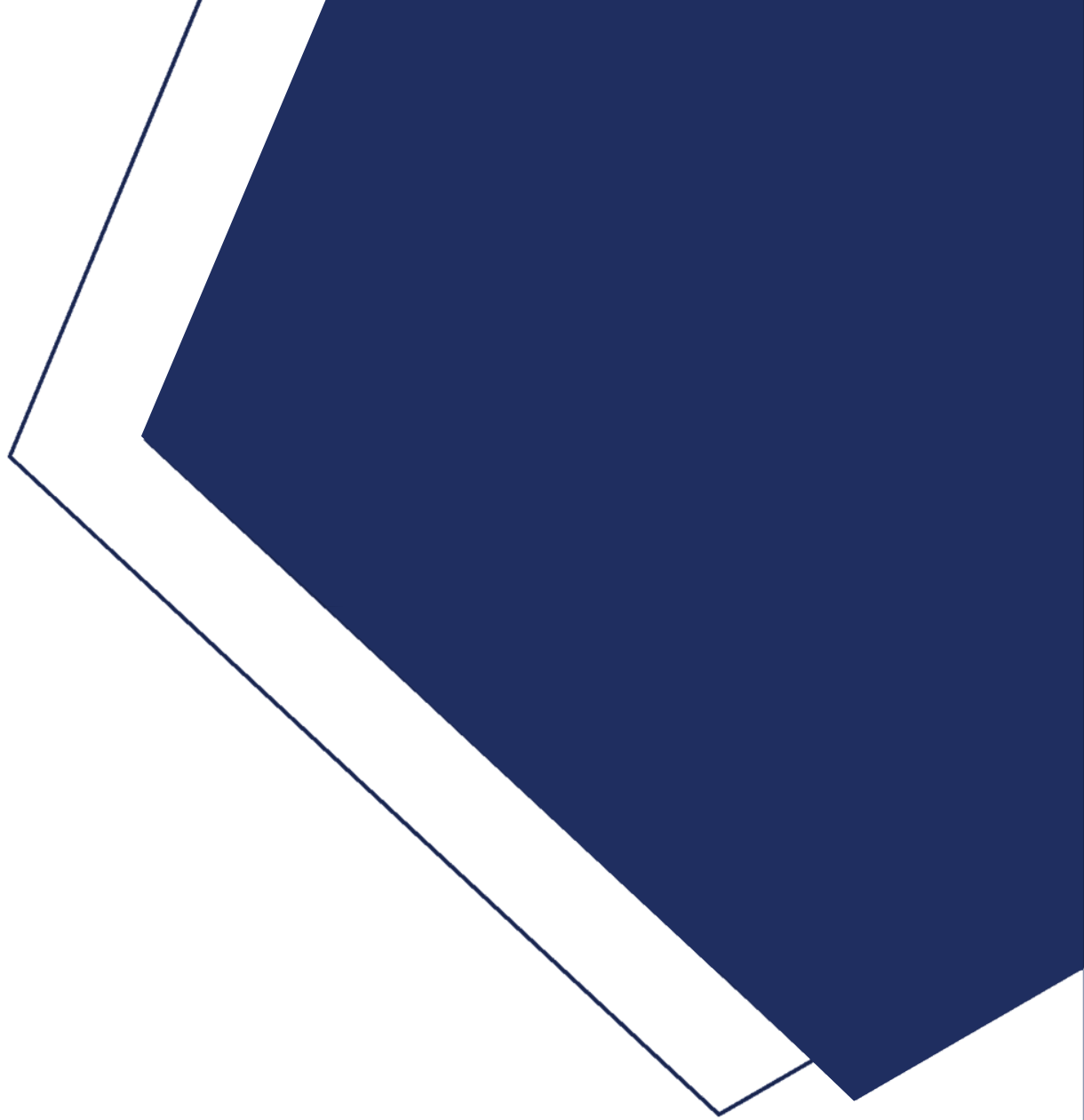
Sources: Pitchbook, S&P Capital IQ

(1) Inclusive of add-ons, tuck-ins, minority investments, and pending acquisitions / investments

II.



Deals Update by Sector


















# Notable Transactions in Q3 2022

## Corporate & Business Solutions Software

MADISON PARK GROUP

\$ in millions

















Target	Acquirer	Date	MPG Subsector	Transaction Size	Est. Valuation Metrics	
					EV / Revenue	EV / EBITDA
		Sep-22	Data Solutions & Infrastructure	\$20,000	50.00x	n/a
		Sep-22	Martech	\$239	1.59x	n/a
		Sep-22	Martech	\$725	4.05x	18.6x
		Aug-22	Business Intelligence & Analytics	n/a	n/a	n/a
	JPMORGAN CHASE & Co.	Aug-22	Fintech	\$676	15.36x	n/a
		Jul-22	Enterprise Resource Planning	n/a	n/a	n/a
		Jul-22	Fintech	\$500	n/a	n/a
		Jul-22	Networking & Communications	\$6,200	4.96x	n/a
				Average	15.19x	18.6x

# Notable Transactions in Q3 2022

MADISON PARK GROUP

## Industrial Software

\$ in millions

Target	Acquirer	Date	MPG Subsector	Transaction Size	EV / Revenue	EV / EBITDA
					Est. Valuation Metrics	
		Sep-22	Commerce & Supply Chain Management	n/a	n/a	n/a
		Sep-22	Industrial Tech	Conf.	Conf.	Conf.
		Aug-22	Industrial Tech	n/a	n/a	n/a
		Aug-22	Commerce & Supply Chain Tech	\$321	4.16x	n/a
		Aug-22	Industrial Tech	Conf.	Conf.	Conf.
		Aug-22	Industrial Tech	\$1,875 <sup>(1)</sup>	10.42x <sup>(2)</sup>	n/a
		Jun-22	Enterprise Asset Management	n/a	n/a	n/a
		Jul-22	Commerce & Supply Chain Tech	\$2,100	n/a	n/a
				Average	7.29x	12.9x

MPG Advised

Sources: Pitchbook, Capital IQ, corporate websites, press releases, LinkedIn

(1) Inclusive of \$300M earnout (\$1.575b cash at close + \$300M earnout)

















(2) Based on projected 2022 revenue

# Notable Transactions in Q3 2022

## Business Infrastructure Solutions

MADISON PARK GROUP

\$ in millions

















Target	Acquirer	Date	MPG Subsector	Transaction Size	Valuation Metrics	
					EV / Revenue	EV / EBITDA
		Sep-22	Data Providers & Infrastructure	\$16,500	5.09x	n/a
		Aug-22	Cybersecurity	\$570	n/a	n/a
		Aug-22	Business Intelligence & Analytics	n/a	n/a	n/a
		Aug-22	Cybersecurity	\$6,900	15.72x	n/a
		Aug-22	Cybersecurity	\$4,000	n/a	n/a
		Aug-22	Cybersecurity	\$2,800	8.21x	n/a
		Aug-22	Business Intelligence & Analytics	\$8,000	n/a	n/a
		Jul-22	Cybersecurity	\$3,200	1.88x	16.0x
				Average	7.72x	16.0x

# Notable Transactions in Q3 2022

## Healthcare & Life Sciences Software

MADISON PARK GROUP

\$ in millions

Target	Acquirer	Date	MPG Subsector	Transaction Size	EV / Revenue	EV / EBITDA
					Est. Valuation Metrics	
		Sep-22	Healthcare Services	n/a	n/a	n/a
		Sep-22	Healthcare Compliance	n/a	n/a	n/a
		Sep-22	Life Sciences Software	n/a	n/a	n/a
		Sep-22	Healthcare Services	\$2,240	2.19x	11.5x
		Aug-22	Life Sciences Software	\$100	n/a	n/a
		Jul-22	Healthcare Services	Conf.	Conf.	Conf.
		Jul-22	Healthcare Services	\$83	n/a	n/a
		Jul-22	Healthcare Software	\$250	n/a	n/a
				Average	2.19x	11.5x

MPG Advised



















# Notable Transactions in Q3 2022

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## IT Services

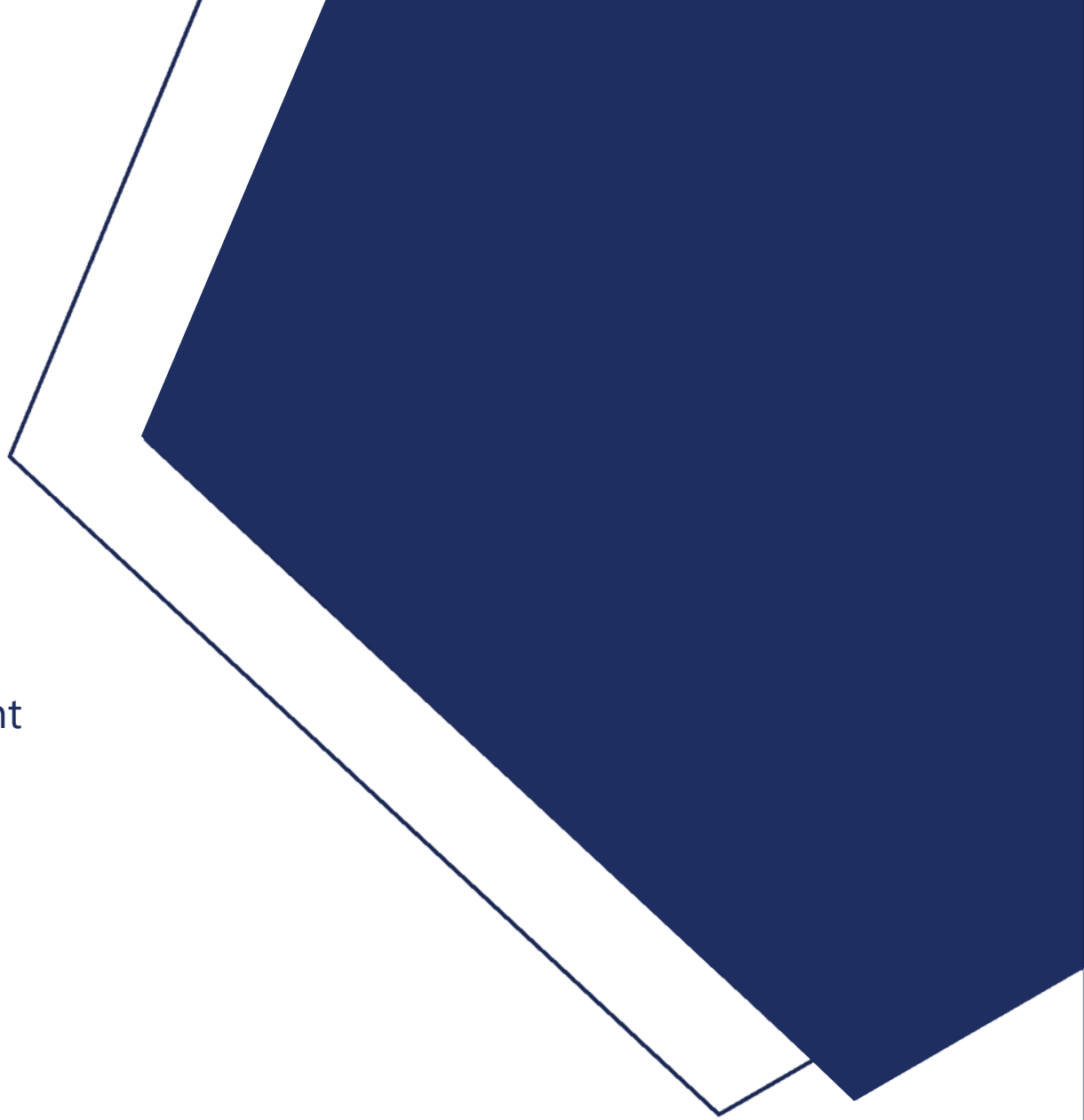
\$ in millions

Target	Acquirer	Date	MPG Subsector	Transaction Size	EV / Revenue	EV / EBITDA
					Est. Valuation Metrics	
 Elevating Technology Globally		Sep-22	IT Services	\$217	7.50x	n/a
		Aug-22	IT Services	n/a	n/a	n/a
		Aug-22	IT Services	n/a	n/a	n/a
		Jul-22	IT Services	n/a	n/a	n/a
		Jul-22	IT Services	n/a	n/a	n/a
		Jul-22	IT Services	\$2,223	n/a	n/a
		Jul-22	IT Services	n/a	n/a	n/a
		Jul-22	IT Services	\$192	8.41x	n/a
				Average	7.96x	n/a

III.



Q3 2022 MPG Deals Spotlight



# Operix Secures Growth Investment From M33 Growth

MADISON PARK GROUP

August 2022

In Partnership with the Founding Team



Growth Investment



Exclusive Financial Advisor



Contact us for more information at [insights@madisonparkgrp.com](mailto:insights@madisonparkgrp.com)

## Transaction Highlights

- Operix engineers and manages Sage Service Operations and Sage Field Operations — products sold exclusively by Sage — as well as Operix Service Operations seamlessly integrating with the industry-leading accounting platforms
- M33 Growth is a venture and growth-stage investment firm that partners with founders and CEOs who have successfully bootstrapped their companies to strong growth and are positioned to rapidly scale their companies and breakthrough as market leaders

## About the Deal

- The investment from M33 Growth aims to enhance Operix's product and customer experience capabilities, fueling product innovation for, and improving engagement with, customers in the construction and service industries
- M33's investment in Operix comes as the company expands its current line of products to offer customers more features to improve operational efficiency, as well as to reach new customers through additional platform integrations

*"The MPG Team truly understands the construction software vertical. Their operational backgrounds and industry contacts were invaluable as they worked with us as trusted advisors, helping us unlock bottlenecks to grow our business and setting Operix up for long term success. They were instrumental in the transaction with M33 Growth, and we are pleased to continue our relationship as we embark on the next stages of Operix growth.*

— Jay Annarelli, Co-Founder & CEO, Operix

## Market Relevance



# Rockpointe has been acquired by Clinical Education Alliance (CEA)

July 2022

MADISON PARK GROUP

In Partnership with the Founding Team



Strategic Sale



A Portfolio Company of



Exclusive Financial Advisor



Contact us for more information at [insights@madisonparkgrp.com](mailto:insights@madisonparkgrp.com)

## Transaction Highlights

- Rockpointe is a science-based medical education company with clinical specialists and industry influencers dedicated to the design and implementation of innovative accredited clinical education (CE) driven by public health priorities and the needs of healthcare practitioners
- CEA is the HCP education and insights global leader in the development of innovative enduring, virtual, and live education. Integrating personalization and moderated social media, CEA provides education, tools, and resources for the entire healthcare team with the goal of improving patient outcomes

## About the Deal

- Founder-owned business, fully transformed to an online/virtual delivery model post pandemic, with deep roots in primary care and high-science therapeutic areas
- Selected CEA as the preferred strategic partner given (i) shared vision, (ii) expanded educational content, (iii) improved access to an industry-leading technology portal and (iv) exponential increase in educational reach nationwide and globally
- The acquisition greatly expands CEA's reach to community clinicians throughout the US, including under-served areas and supports CEA's focus on high-science therapeutic areas while allowing rapid expansion into primary care education

*"We are thrilled to join CEA. Rohan's guidance and the work from the MPG team were imperative to making this happen. MPG was hands-on throughout the process and I am glad we partnered together for this important event."*

— Tom Sullivan, Founder & CEO, Rockpointe

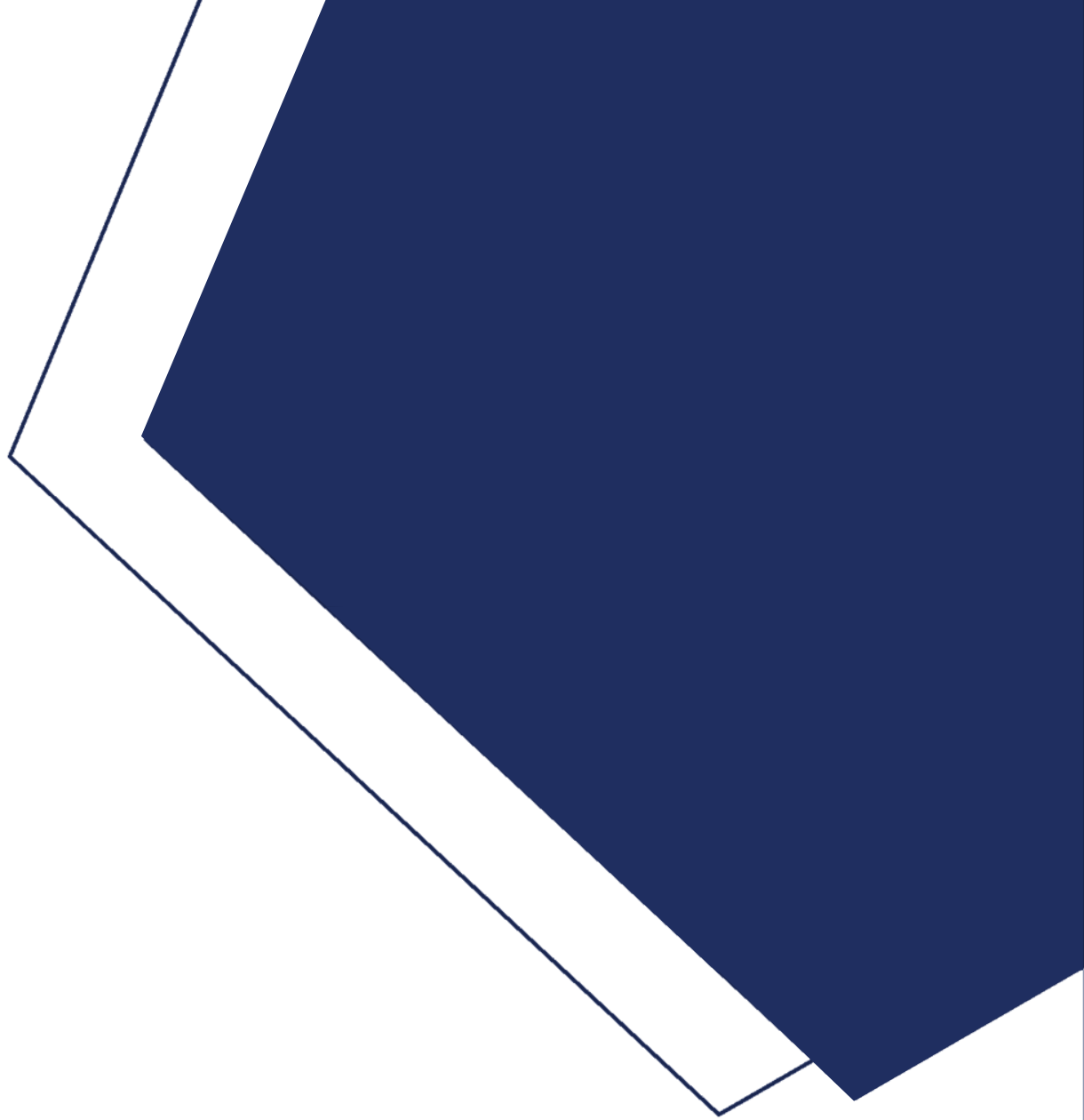
## Market Relevance

Healthcare & Life Sciences Technologies	HCP Education & Insights	Virtual & Online Content Delivery
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IV.



About Us



## Growth Stage

FOCUSED ON TRANSACTIONS WITH \$100-500 MILLION ENTERPRISE VALUE

220+

COMPLETED TRANSACTIONS

\$30+

BILLION IN DEAL VALUE

~30%

CROSS-BORDER DEALS <sup>(1)</sup>

40%+

SPONSOR-BACKED CLIENTS

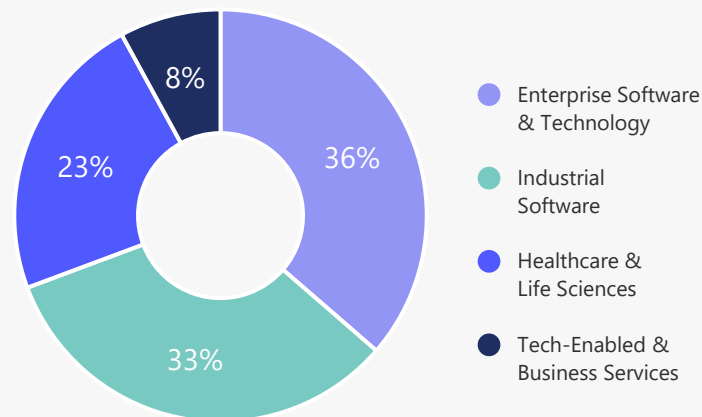
30%+

REPEAT CLIENTS <sup>(1)</sup>

22

DEDICATED ADVISORS

### Our Deep Sector Expertise Drives Better Outcomes <sup>(2)</sup>



(1) Calculated as total clients divided by clients completing more than one transaction with MPG over client relationship, inclusive of investor relationships

(2) Select deals completed in the last ten years



#### FOCUS

We partner with global technology clients across North America and Europe



#### EXPERTISE

We specialize in impacting growth strategies to optimize shareholder value creation



#### STRATEGY

We marry thoughtful corporate strategy planning with stalwart transactional execution







































#### RESOURCES

Domain experts with active relationships across +1,500 global investors

# Select Recent Transactions

## Right People, Right Narrative, Right Time

<p>Founder-owned</p>  <p>Growth Investment</p> 	<p>PE-Backed</p>  <p>Acquisitions Of</p> 	<p>Founder-owned</p>  <p>Financial Sale</p> 	<p>Founder-owned</p>  <p>Financial Sale</p> 	<p>PE-Backed</p>  <p>Financial Sale</p> 	<p>Founder-owned</p>  <p>Strategic Sale</p> 
<p>VC-Backed</p>  <p>Strategic Sale</p> 	<p>Founder-owned</p>  <p>Merger With</p> 	<p>Founder-owned</p>  <p>Strategic Sale</p> 	<p>PE-Backed</p>  <p>Strategic Sale</p> 	<p>Founder-owned</p>  <p>Financial Sale</p> 	<p>Founder-owned</p>  <p>Minority Investment</p> 
<p>PE-Backed</p>  <p>Strategic Sale</p> 	<p>Founder-owned</p>  <p>Financial Sale</p> 	<p>PE-Backed</p>  <p>Financial Sale</p> 	<p>VC-Backed</p>  <p>Strategic Sale</p> 	<p>PE-Backed</p>  <p>Financial Sale</p> 	<p>PE-Backed</p>  <p>Financial Sale</p> 

[Click here for our full transaction list](#)

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Construct Technology



Engineering Technology



Life Sciences Software



Procurement Technology



Public Market Coverage



Cause & Community Software



EHSQ



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Supply Chain Execution



M&A Market Coverage



Cybersecurity



GRC



Marketing Tech



Supply Chain Planning



Tech Capital Markets Coverage

