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# SECTOR SNAPSHOT



## UK SOFTWARE M&A ACTIVITY AND VALUATIONS FOR Q2 2016

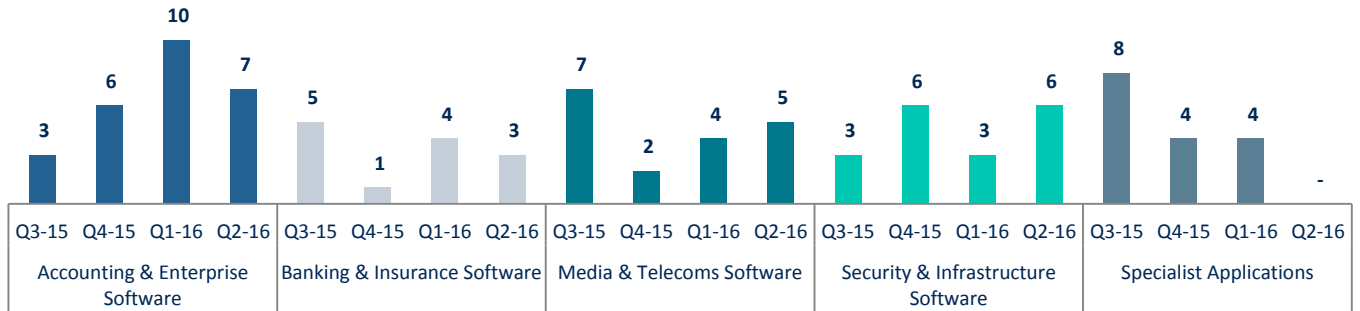
### Continued confidence in the face of 'uncertain' times

In recent years the technology market, on the whole, has performed well which has been reflected by an active M&A environment and strong valuations. Whilst the recent vote by the UK to leave the EU adds a degree of uncertainty, it doesn't change the fact that technology remains a business critical need, enabling organisations to become more efficient and flexible for both customers and employees. We are therefore confident that software companies will continue to perform well in this environment and drive M&A activity in the medium to long term.

### Q2 2016 Software M&A Volumes

Q2 2016 saw a total of 21 transactions across all Software sub-sectors.

UK Software M&A volumes by quarter

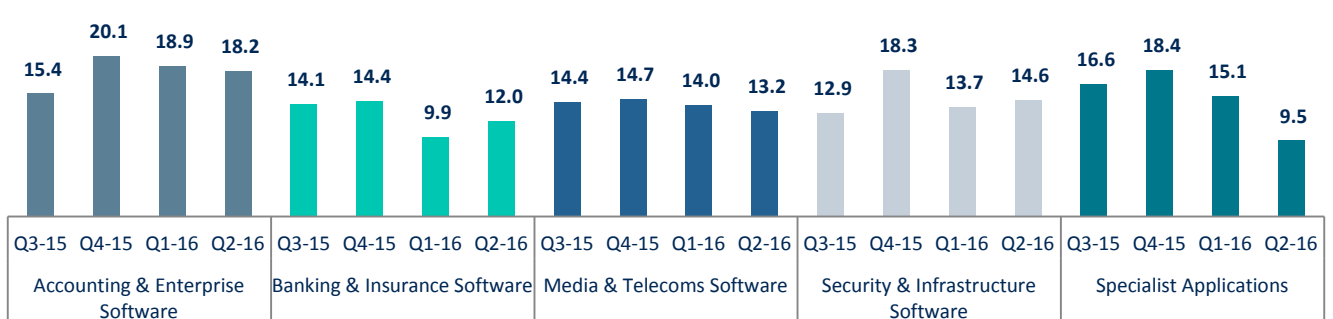


The second quarter saw 21 software deals completed, a slight decline when compared with the 26 completed in the first quarter but more in line with the previous two-quarter average of 23. Whilst the drop could be attributed to the uncertainty caused by the referendum, it's not a drop which causes us a concern – especially as seven deals have already completed in July, normally a quieter period over the summer months.

### Q2 2016 Software M&A Valuation Multiples

Q2 2016 EV/EBITDA (TTM) multiples across all sub-sectors ranged up to 18.2x.

UK Software average EV/EBITDA (TTM) multiples

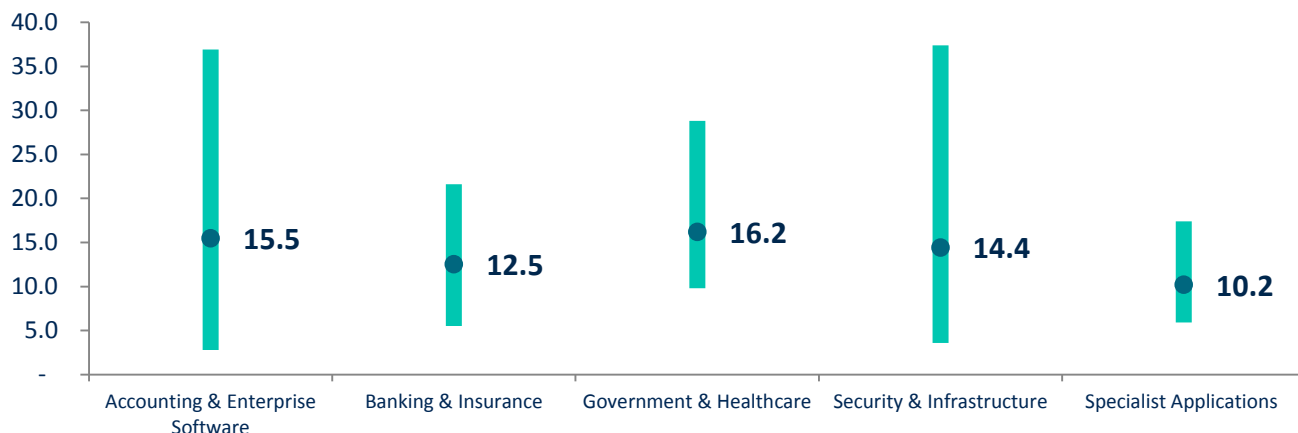


On a Trailing Twelve Month basis EBITDA valuations across all disclosed software transactions remained strong at 13.5x, ranging from 9.5x to 18.2x between the sub-sectors. Looking at the deals completed in July valuations have held up, with a number of transactions delivering double-digit EBITDA multiples.

## Q2 2016 UK Software Services Trading Multiples

Q2 2016 average trading multiples across all sub-sectors ranged up to 16.2x.

Range and average EV/EBITDA Software trading multiples



## Q2 2016 UK Software Notable Transactions

**Zoopla**

Have acquired

**THE PROPERTY SOFTWARE GROUP**

For £75m

**GBGroup**  
USING IDENTITY INTELLIGENTLY

Have acquired

**idscan™**

For £35.4m

**KEWILL®**

Have acquired

**LEANLOGISTICS®**

For £79.1m

**Instem**  
Information Solutions For Life

Have acquired

**samarind**  
complete NETWORK and SOFTWARE solutions

For undisclosed fee

**CIVICA**

Have acquired

**NORWEL**

For undisclosed fee

**servelec group**

Have acquired

**Synergy**  
(Part of **TRIBAL**)

For undisclosed fee

### Clairfield Finland advised the sale of Elisa Rahoitus

Elisa Corporation, the largest telecom operator in Finland, sold Elisa Rahoitus to Aktia Bank Plc. The transaction includes Elisa Lompakko, the first mobile payment service in Europe. The Elisa Lompakko app has been downloaded by over 120,000 users. Advised by Clairfield International in Finland.

**elisa**

Sold

**elisa LOMPAKKO**

to

**Aktia**

Advisor to the seller - July 2016

*"This was already the third successful divestment in which Clairfield Finland (PCA) advised Elisa. PCA's service was again of high quality and covered a broad array of aspects related to the transaction."*  
Pekka Ekstam, VP, M&A at Elisa

### About Orbis

Orbis is a mid-market corporate finance boutique advising on a wide range of M&A transactions covering the TMT sector in addition to food & consumer, healthcare and industrials. Orbis also has an active investment portfolio held through its investment vehicle Intrinsic Equity.

If you are considering your strategic options for enhancing the value of your business or your client's business, please contact either Shah or Simon. Orbis have extensive experience advising on company sales, management buy-outs and fund raising projects.