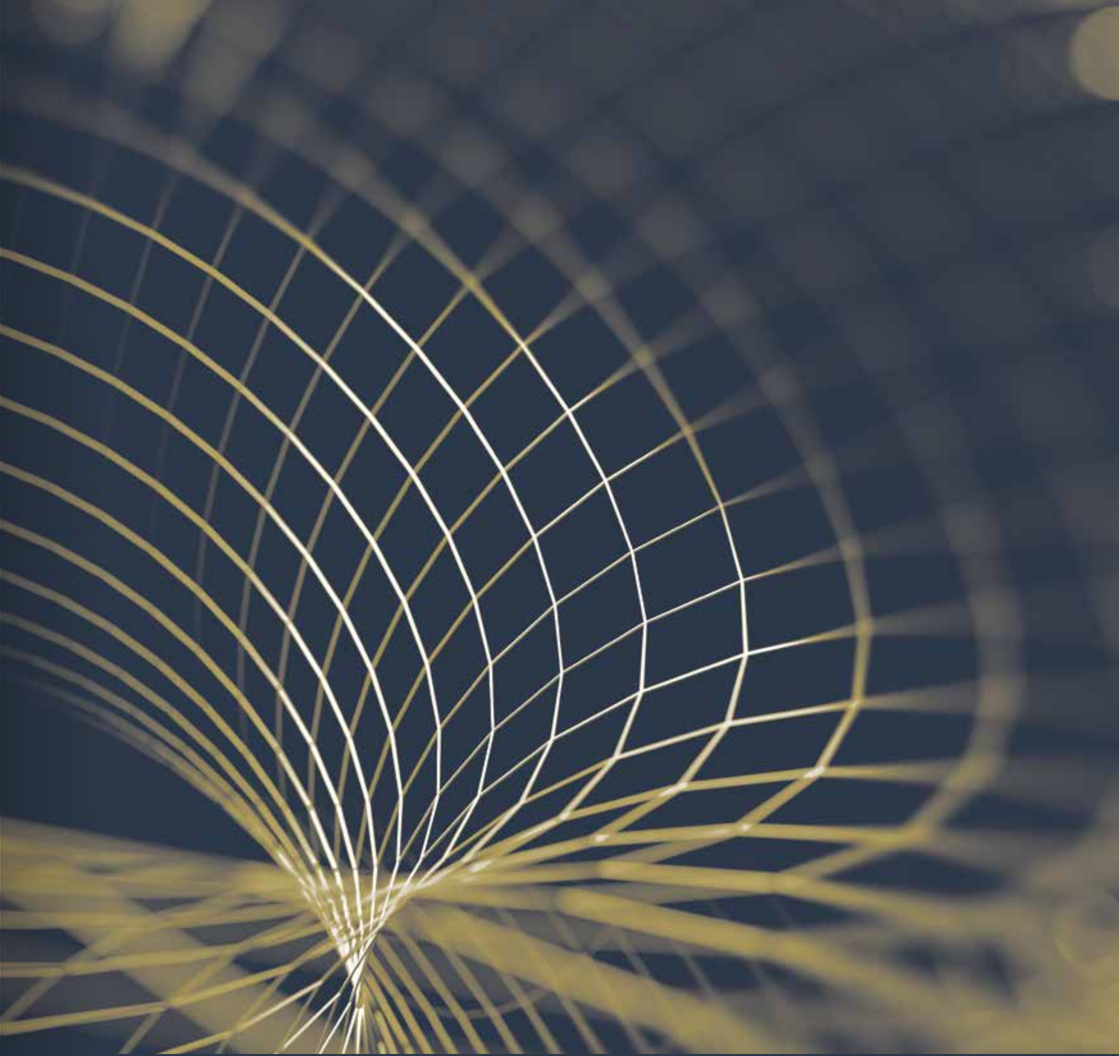

Technology M&A Review

January 2020

ICON | GLOBAL TECH BANKING

Key M&A Statistics

No. EU TECH M&A DEALS
3,332
+2%
DEC 31 2018 3252 / 3332 DEC 31 2019

No. GLOBAL TECH M&A DEALS
9,465
–
DEC 31 2018 9547 / 9465 DEC 31 2019

No. UK TECH M&A DEALS
878
+20%
DEC 31 2018 731 / 878 DEC 31 2019

UK VALUATION EV/EBITDA (X)
16.6
DEC 31 2018 17.7 / 16.6 DEC 31 2019

Key Macro Statistics

NASDAQ
8,733
+32%
DEC 31 2018 6635 / 8733 DEC 31 2019

FTSE TECHMARK
4,167
+26%
DEC 31 2018 3309 / 4167 DEC 31 2019

FTSE
7,542
+12%
DEC 31 2018 6728 / 7542 DEC 31 2019

US$/£ EXCHANGE RATE
1.33
+5%
DEC 31 2018 1.26 / 1.33 DEC 31 2019

BITCOIN (US$)
7,217
+90%
DEC 31 2018 3800 / 7217 DEC 31 2019

UNICORNS
438
+47%
DEC 31 2018 298 / 438 DEC 31 2019

Key Findings

- Slower GDP growth means lower interest rates for longer
- Wave of cheap money still fuelling equity prices. NASDAQ +32%
- Stock markets are at record highs
- Confidence feeds into healthy Tech M&A activity globally
- Some valuations look stretched at >10x revenues
- UK M&A activity +20% to new record
- Key is buoyant PE backed Buy-and-Build and overseas buyers
- ClearCourse, Civica, Access Group and Iris are most active in UK
- IPOs at near record lows
- Year of The Pig was a bit of a snorter

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Highlights

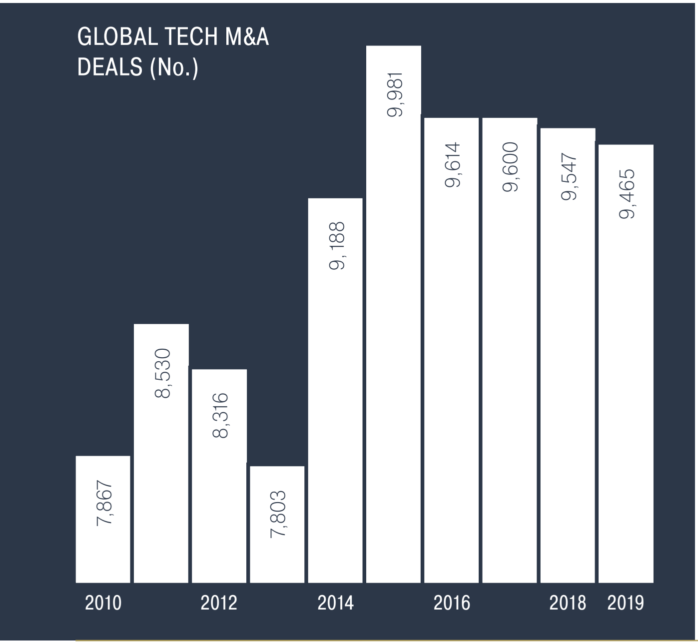
The Year of the Pig turned out to be a real rip snorter of a year. Global equity markets reached new highs, yet again. The NASDAQ was up an impressive 32% and even the Brexit laden FTSE was up 12%. The US economy has had a great run under The Donald with full employment, high corporate earnings growth, and has had its longest run since WWII. Economic growth remains stubbornly low and so interest rates remain on the floor as central banks in both the US and EU prime the pumps to ensure the engine doesn't stall. As a result, equity markets have moved ever higher and valuations of higher growth sectors like Technology have outperformed as investors seek growth.

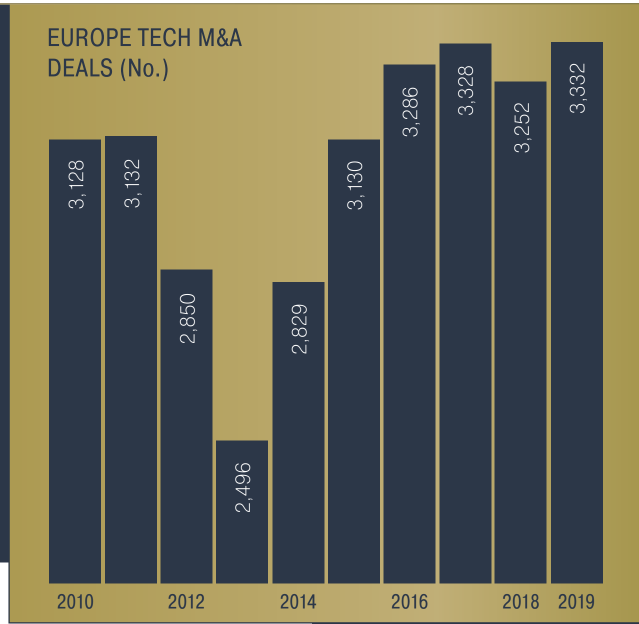
Cheap debt has fuelled much of the current cycle. So, in 2019 investors were faced with investing in up to $17tn in bonds that are negative yielding (i.e. making a negative return) or look at alternative ways to make a positive return. That has pushed more money into riskier assets

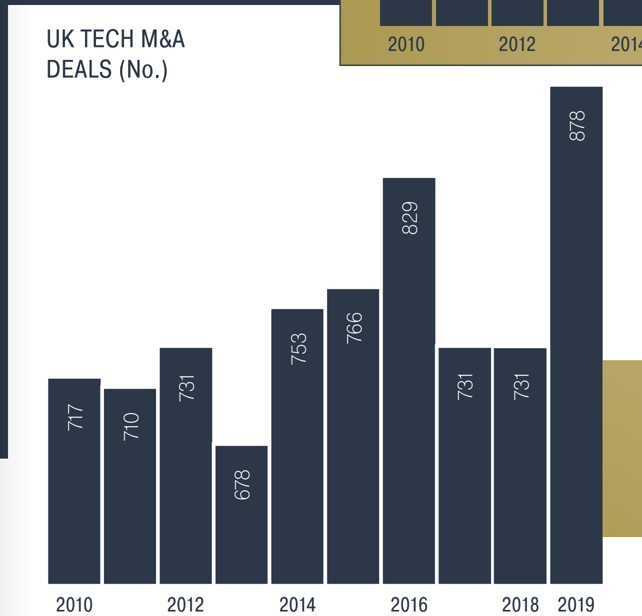
> "Cheap debt is fuelling M&A activity"

and the technology sector has been a prime beneficiary. It's also why the number of unicorns continues to rise and part of the reason why bitcoin has jumped this year from under $4,000 to over $7,000.

Yet IPO volumes are at near record lows. It sounds nonsensical but can be put down to two main factors: firstly, many of the targets are getting snaffled by PE or trade buyers before they can list, and secondly some of the valuations implied by previous funding rounds are just not palatable for institutional investors who like old fashioned things like profits. 2019 did see a surge in large IPOs like Uber, Peleton, Slack,





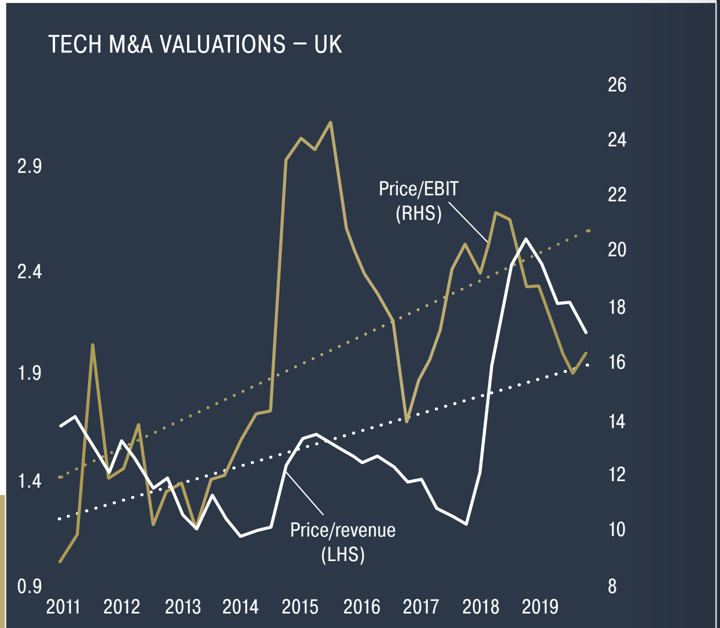


> "UK deals up 20% to a record high"

Pinterest and Lyft in the US, and Trainline in the UK at some pretty racy valuations. However, some of these companies had a tough time after listing and others like WeWork had to pull their listings. However, the weak IPO market is also a reflection of the changing funding landscape with the amount of funds raised by private tech companies reaching new records and the number of unicorns (valued at >$1bn) rising nearly 50%.

The number of Global Tech M&A deals remains healthy and similar to 2018. So, the M&A market remains healthy and some of the valuations are real snorters, particularly in the US, with FNIS, VMWare, SAP, Microsoft, Google, Cisco, OpenText, Workday, Adobe, IBM, Temenos, Twilio, Salesforce and PayPal all having paid more than 10x revenues for recent acquisitions.

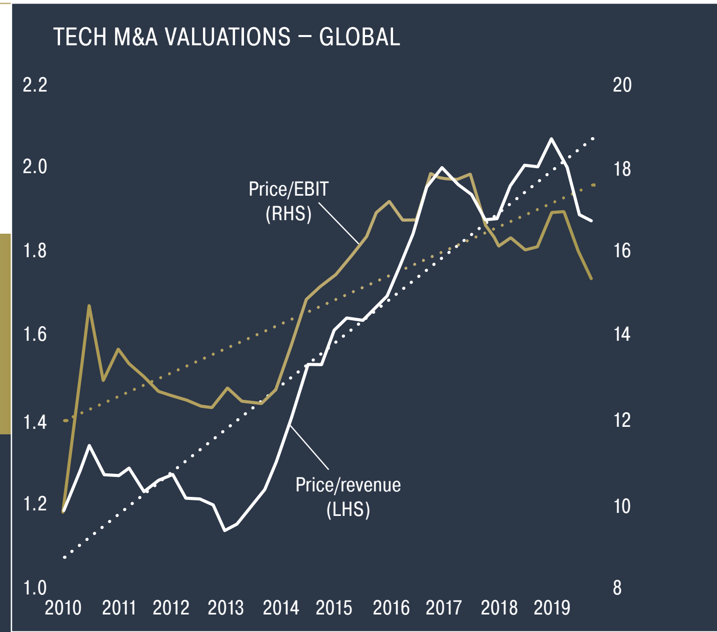
The number of UK Tech M&A deals grew 20% to 903, a new record. It was particularly impressive given all the Brexit uncertainty. One of the main drivers remains the weaker currency, which attracts overseas acquirers, who still account for nearly 40% of all deals. However, in the UK the standout activity in Technology M&A is the growing presence of private equity funded buy-and-build programs notably: ClearCourse Partnership, The Access Group, Iris and Civica. They seem to be pigging out on a wave of cheap money.

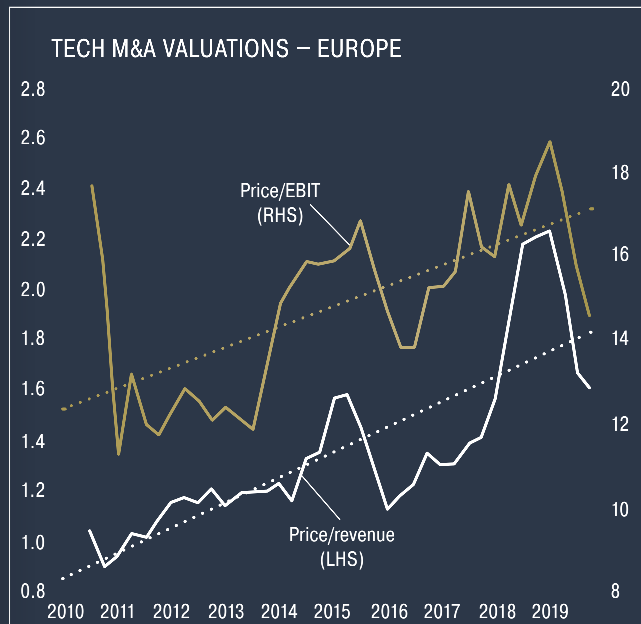


“Some valuations are stratospheric...”

The Chinese Year of The Rat could be another great year to be an owner of a technology company. Continued automation/disruption and increased recurrent revenues, means the sector remains attractive. The greatest risk is that interest rates move up significantly - which is pretty unlikely in the run up to the US election later this year. So it remains a great time to be considering an M&A transaction.

“...But overall valuations have fallen”

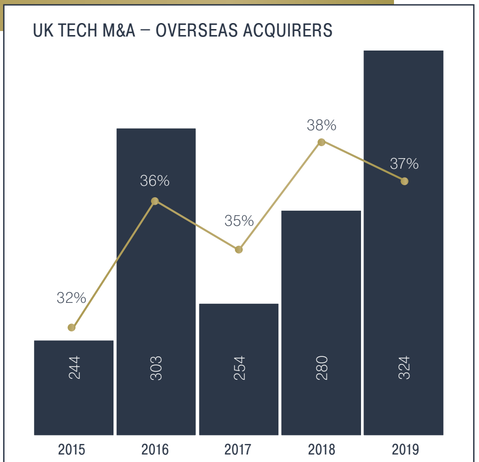




UK Tech M&A

Quite remarkably, 2019 has been a record level for UK Technology M&A activity with the number of deals up 20%. The domestic fears and political uncertainty over Brexit have not deterred buyers. Far from it, there is a strong rise with over 900 deals. Overseas acquirers remain key, accounting for nearly 40% of all deals but we have also seen a real jump in the amount of PE backed buy and build deals. The cheap currency, low tax rates and a very attractive pool of technology talent are key drivers. Its very much business as usual – Brexit or no Brexit.

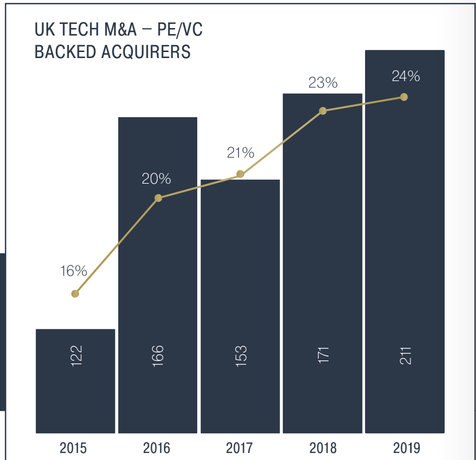
"Foreign buyers still account for nearly 40% of UK deals"



"The number of PE backed deals has risen by >70% in 5 years"

Private equity funded acquisitions are one of the key drivers for M&A activity in 2019. The number of VC/PE backed acquisitions has risen 23% in 2019 and remarkably is up over 70% on the number of similar deals 5 years ago.

Interesting to note that Roger Mountford, Chairman of **Hg Capital**, commenting on the results of their portfolio companies said: "Over the twelve months to 30 June 2019, the top 20 companies, that make up 88% of our portfolio by value, reported sales growth of 26% and EBITDA growth of 35%. These are the strongest trading figures we have ever reported", clear evidence of the health of the UK technology sector. Also, they reported a valuation multiple (EV/EBITDA) of 19.5x and net debt to EBITDA ratio of 6.3x for the top 20 investments. Giving an idea of both the high valuations and high leverage that the PE sector enjoyed in 2019.



Largest UK Tech M&A Targets in 2019

EV £m	PURCHASER	TARGET	VALUATION (EV / Rev)
3,120	Thoma Bravo	Sophos	5.4
1,350	ION	Mergermarket	10.3
728	Macquarie	KCOM	2.6
699	Nuvei	SafeCharge	5.1
538	Ant Financial	WorldFirst	6.3
410	Roper	Foundry	9.5
377	Montagu	Jane's	
240	Digital Alpha	UKCloud	5.3
230	Elavon	Sage Pay	5.6
198	ANSYS	Granta	13.2
165	eOne	Audio Network	5.7
161	Confluence	StatPro	2.9
135	Taptica	RhythmOne	0.4
109	Bowmark Capital	Tax Systems	6.7
105	Equistone	Elektron Technology	3.5
100	Sumitomo Heavy Industries, Ltd.	Invertek Drives	3.0
85	Aptean	Sanderson	2.5
80	Blue Prism	Thoughtonomy	10.8
78	CGI	SciSys	1.3
77	GCI	Nasstar	2.4

FinTech

The list of acquisitions made by **ION Trading** is long and impressive and includes Patsystems, Anvil, Wall Street Systems, Triple Point Technology and then in 2018 they boldly acquired UK listed **Fidessa** for £1.5bn, beating Temenos in the deal for the asset management software provider. At 4.2x revenues it was a pretty good price too. In 2019 they splashed out £1.3bn for **Mergermarket** - the M&A information provider, at a very toppy looking 10x revenues. The size of deals has certainly accelerated since they took money first from TA Associates in 2004 and then Carlyle Group in 2016. It has been an impressive run since Andrea Pignataro founded the business 20 years ago.

Cognizant acquired **Meritsoft**, which is best known for its FINBOS platform for post-trade processing, an intelligent automation solution for managing taxes, fees, commissions and cash flow functions between financial institutions. "Increased compliance and regulatory obligations, focus on operational efficiency, and a range of new digital technologies are among the forces that have led many of the world's leading financial institutions to automate processes using Meritsoft and its FINBOS platform" said Sean Middleton, President, Cognizant Accelerator. The transaction has generated an initial return to Synova Capital of 4x invested capital and an IRR of 47%, with further returns anticipated under the terms of an earn-out agreed with founders, Kerril Burke and Paul Burke.

The **SimplyBiz Group** has acquired **Defaqto** for £70m as it looks to expand its offering into the general insurance and banking markets. SimplyBiz raised a total of £29m through share placing, approximately £37m of borrowings from new bank facilities to fund the deal. Defaqto was valued at a healthy 5.4x revenues. It currently operates a FinTech platform for 8,500 advisers and provides independent ratings of 21,000 financial products and funds.

Cryptomathic acquired **Aconite Technology**, an end-to-end EMV® card lifecycle, transaction processing and PIN management provider. Both Cryptomathic and Aconite Technology operate in the secure infrastructure for EMV payments space.

Australian listed **EML Payments** has acquired **Flex-e-Card** for £21m paying 4.5x revenues or 10x EBITDA for the FinTech that specialises in gift card solutions for retailers. Based in Newcastle, Flex-e-Card have expanded into Poland and UAE, so adding to the geographic footprint of EML. Yet another payments deal in a fast consolidating sector.

Ant Financial, the financial services firm led by billionaire Jack Ma, has acquired money transfer and currency exchange firm **WorldFirst** for £540m or about 6x revenues. Interestingly, just prior to the deal, WorldFirst announced plans to shut its US operations to placate US regulators, who previously rejected Ant Financial's bid to buy money transfer service MoneyGram for $1.2bn. Sorting your housekeeping ahead of a sale is a crucial part of the exit process and here is a classic example of a smart step taken to avoid a potential headache.

> "A deal is never done until it is done"

On the other hand, **Experian** called off its £275m proposed acquisition of **Clearscore**. The deal was subject to approval from the CMA and the Financial Conduct Authority (FCA). However, it was pulled as it was potentially a threat to competition in the market. It looked bold at a whopping 7x prospective sales, its first sizeable acquisition by Experian in a while. There are always bumps on the road in an M&A transaction, but this is a bump that could have been predicted as they are two of the largest credit-score checking firms in the UK and clearly "could result in less intense competition in the sector." It reminds us in many ways of news in 2018 that **TalkTalk** had agreed to sell its business broadband to **Daisy** for £175m, but Daisy pulled out having failed to agree final terms after DD. Key lesson here is that a deal is never done until it is done.

There has certainly been a major frenzy of activity in the payments space in the past few years and 2019 was no different with the announcement that global payments provider, **Worldpay**, and financial services technology giant, **FIS**, are to merge in a gargantuan $43bn deal – an old fashioned all share merger - further accelerating the pace of change in the global payments space. Activity was kick-started in 2017 by **Vantiv**'s acquisition of UK's **Worldpay** for £7.7bn, 1.7x revenues (but kept the Worldpay name). WorldPay then acquired **SIX Payments** for €3bn in 2018 in another big deal. UK listed **Sage** continues to shed non-core assets. It sold SME payment processing arm, Sage Pay for £230m to US payments business, **Elavon**, owned by US Bancorp. They paid about 15x EBITDA.

Texas based **Nuvei** bought UK listed (but Israeli based) payments technology outfit, **SafeCharge**, for £699m in an all-cash deal. The valuation of 5x revenues is unremarkable in the current market but provides a decent exit for Teddy Sagi, the 68% shareholder and Playtech founder. SafeCharge's Payments Engine makes it easier for online businesses to manage omnichannel payments.

VISA acquired **Earthport** for £247m, or 8x revenues. Mastercard had trumped an earlier VISA offer which in turn forced VISA to up its offer by a whopping 25%. Again, a clear illustration of the power of "competitive tension" in a deal. Earthport provides cross-border payment services to banks and businesses. Through Earthport APIs, clients can manage payments to almost any bank account in the world. The deal comes after a difficult year for Earthport, in which it lost a major customer, saw reduced transaction volumes and underwent a management shakeup.

> "The power of competitive tension +25%"

Unfortunately, **Loot** ran out of loot and was put into administration. **RBS** previously acquired a 25% stake in millennial-focused technology start-up Loot, aimed at helping young people and students manage their finances by providing customers with a pre-paid debit card and insights into their spending habits. The plan was to help RBS develop its digital offering Bo, which is currently in private beta testing. It, like other new technology-led banks that have launched in recent years such as **Monzo**, **Starling** and **Revolut**, is aiming to poach customers from the traditional high street lenders (like RBS!). If you can't beat them, join them. RBS had been negotiating to buy Loot, but it failed DD. As a result, RBS have taken on founder Ollie Purdue and the 17 staff. So probably a nice deal for RBS and a boost for its digital offering Bo, but not so good for those looking for Loot. Lesson here is to always enter an exit process from a position of strength by ensuring you have adequate working capital, otherwise you may get looted.

"Loot ran out of loot"

UK listed **StatPro**, was acquired by US private equity firm, TA Associates, via its **Confluence Technologies** arm. StatPro, provider of cloud-based investment portfolio analysis and pricing tools, sold for £160m. Founder, Justin Wheatley, commented: "We couldn't be happier to be joining a like-minded firm in order to provide asset managers and fund administrators with an even greater range of support services and analytics." I suspect he will also be rather pleased with the chunky 50% premium offered to the share price beforehand.

Edinburgh based fintech **FNZ** has acquired **JHC Systems**, a provider of software services to the wealth management industry. Based in London, JHC provides the core technology platform to several UK and Ireland's wealth managers and platforms including AJ Bell, Alliance Trust Savings, Brooks Macdonald, Charles Stanley, Davy, FIS Platform Securities, Interactive Investor, LGT Vestra and Quilter. FNZ were founded in NZ and were valued at £1.6bn in 2018 following a PE investment. In 2019 they also acquired investment platform European Bank for Financial Services (ebase) from Commerzbank, in a deal worth €154m.

Finally, although not really a FinTech, The **London Stock Exchange** (LSE) made a very bold move acquiring **Refinitiv**, the financial data and trading platforms provider which was only created when Thomson Reuters sold a 55% stake in its Financial and Risk business, to private equity firm Blackstone Group. Under the terms of the complicated deal, which doubles the size of LSE, it will pay $27bn in shares for Refinitiv. As a result, Thomson Reuters and Blackstone will have a shareholding of 37% in LSE. It has been a really fantastic year for LSE who were the best performing FTSE company with the shares nearly doubling. No wonder they are keen to pay for acquisitions in shares.

GRC – Compliance

Prometheus Group, a US asset management software firm (owned by Genstar Capital and others) has acquired Gateshead based **Engica** which has a suite of "environmental, health and safety solutions" including incident management. Founded in 1998, Prometheus provides web-based planning and scheduling software for operations management. It grew 30% in 2019 and is valued at $1bn or 10x revenues.

SGS is the world's leading inspection, verification, testing and certification company, with £5bn in revenues and nearly 10,000 employees. Yet they acquired **i2i Infinity** based in Shepton Mallet with just 12 staff. Clear evidence that very large acquirers often buy small in-fill targets,that at first glance look unlikely to move the needle. i2i is the leading provider of Electronic Certificates of Origin in the UK.

"Overseas buyers in Shepton Mallet and Swansea"

GRC software company **Ideagen** has acquired **Redland Business Solutions**, a SaaS provider of regulatory and compliance software, in a £15.8m deal. Redland, with revenues of £4.2m, has 40 clients including Nomura, Santander, Investec, Hargreaves Lansdown and Rathbones. Redland provides software for the financial services industry, which assists banks, investment managers and insurance firms to fit with regulatory changes. In particular, Redland's software helps businesses to manage itself under the Senior Managers and Certification Regime, to increase the accountability of senior managers for their conduct. "Redland is an extremely valuable addition to the group and is in line with our strategy of acquiring Integrated Risk Management businesses that have strong IP and growing recurring revenues", said Executive Chair David Hornsby. Ideagen, who have acquired 5 companies since the start of 2018, have a market value of over £400m and are building a major presence in GRC software.

Swansea-based industry risk assessment software firm, **RAP International**, had been acquired by Japanese conglomerate, **Yokogawa**. RAP International's software is used in high hazard industries with clients including leading blue-chip oil and gas companies. The business, which employs just 20, trades in more than 30 countries with its technology employed at 100 sites globally. Yokogawa is the world leader in industrial automation and control, test and measurement, information systems and industrial services. Listed on the Tokyo Stock Exchange, with global sales of $3.6bn it is another example of a mega cap acquiring a niche UK tech company.

Investment house, Hanover, offered to acquire Cambridge risk software technology business, **Brady plc**, for £8.3m which was agreed by management. However, it was then rapidly upped to £15m as another bidder circled, which again shows the considerable power of "competitive tension". The shares had slumped after the management revealed it needed a £16.5m cash investment to upgrade its software. Being listed on AIM is clearly not the right place for a turnaround.

AIM listed **Tax Systems** was acquired by **Bowmark Capital** valuing it at an EV of £108m. As the name suggests, Tax Systems offers software to automate the Corporation Tax compliance and is the creator of Alphatax, which is used by over 1,100 customers including 23 of the top 25 Accountancy firms. With 90% recurrent income you can see why private equity is attracted. The Bowmark investment will enable the company to accelerate the development of new products and services, particularly in response to the roll-out of HMRC's new "Making Tax Digital" initiative, which aims to modernise the way tax is reported. Valuation was 6.8x revenues, but a less taxing 10x earnings.

Credit rating provider, **Moody's**, has acquired UK FinTech, **RiskFirst**, who provide risk analytics to the pension fund and asset management industry. Since its formation in 2009, London based RiskFirst has seen its PFaroe platform widely adopted. A combination of increased regulation and the accelerating pace of technology transformation is good news for RiskFirst. "As a journalist of 40 years' standing, not many things impress me. PFaroe does." says Anthony Hilton, Business Editor of the Evening Standard who is not easily impressed apparently.

CyberSecurity

The largest deal of the year (and one of the largest ever in the UK) was the sale of cybersecurity and network security software developer, **Sophos**, to the US private equity group, **Thoma Bravo**, for $3.9bn. The valuation equates to 4x revenues which in the current market is not outrageous but reflects steady if unspectacular growth and looks well timed as the shares had not properly recovered from the Tech sector mauling in 2H18. Two years ago, Thoma Bravo acquired Sophos' rival Barracuda and has also added Imperva, Veracode and LogRhythm to its stable. Headquartered in Abingdon, Oxfordshire, Sophos specialises in end-point and network security. It was founded in 1985 by Jan Hruska and Peter Lammer, who will be very happy as they trouser over £460m.

GB Group has made a big move acquiring **IDology**, a US provider of identity verification and fraud detection services, for an enterprise value of $300m. To fund the deal GB Group arranged a new revolving credit facility worth £110m and placed shares worth £160m. Priced at a mere 3% discount, the demand for shares was strong and they finished the year very strongly breaching the £1.5bn valuation barrier, which is about 10x revenues and a huge multiple of profits. The deal values IDology at a mere 7.9x trailing sales and 18.4x trailing EBITDA. Forays into the US are not always a success, and it looks a big and bold move. GB Group is clearly making a push overseas after the acquisition of Australian based Vix Verify, an ID verification and location software business for £38m, which is a reasonable looking 1.8x revenues and looks a good fit. Before that they acquired closer to home - Worcester based SaaS software provider PCA Predict (aka Postcode Anywhere) for £63m, 4.5x revenues or 14x EBIT, and IDscan Biometrics for £37m cash plus £8m earn-out, 4.9x revenues or 12x EBIT.

Shearwater Group's acquisition of **Secarma** penetration testing will expand its "digital resilience" capability and cement a deeper partnership with Manchester headquartered cloud and hosting firm UKFast. The deal is worth £7m. Shearwater has grown rapidly through acquisition over the last few years having snapped up Brookcourt (£30m or only 1.3x revenues), GeoLang (£1.7m), SecurEnvoy (£20m) and Newable Consulting (£600k), and now includes network security, data loss prevention (DLP), multi factor authentication, managed security provision, compliance and consulting services. David Williams, Chairman of Shearwater, said: "Operating in the cyber security sector, we are well positioned to benefit from one of the most certain growth areas; as for us, there are now 3 certainties in life - death, taxes and cyber-crime." However David, the shareholders are not so certain, as the shares have fallen from 310p to 210p in 2019 in a strong market.

> "Three certainties in life – death, taxes and cyber-crime"

Orange Business Services, which is part of French telco, Orange, has acquired cyber security services provider **SecureData Group**, who employ over 200 staff in UK and South Africa, and are the largest independent cybersecurity service provider in the UK. The Company has a 25-year track record of providing integrated cyber solutions designed to assess risks, detect threats, protect customer's IT assets and respond to security incidents. The Company's consulting arm, SensePost, was acquired back in 2017. With £40m+ in revenues and 10% profits, SecureData was an attractive target for Orange, albeit a bit off-piste. There has been quite a consolidation in cyber services recently as there is clearly a severe shortage of skilled staff. In 2018 Finnish based **F-Secure** acquired **MWR InfosSecurity** (threat hunting and phishing protection services) for 3.8x revenues, **Claranet** acquired **NotSoSecure**, a company providing global pen-testing services and "ethical hacking" training courses to customers. Similarly, **Intertek** acquired pen-tester, **NTA Monitor**, who have offices in Kent and off-shore operations in Malaysia. **Six Degrees** added **CNS Convergent**, a 50 strong team of pen-testers. Finally, managed service provider, **Six Degrees Group**, purchased **CNS Group**, a specialist in managed security services, penetration testing, consultancy and compliance assessments adding 50 staff and revenue of over £7m.

Kape, the consumer security software business, acquired LTMI for $127m including debt. LTMI owns Private Internet Access ("PIA"), a leading US digital data privacy services business based in Denver, who provide VPN solutions with 1m subscribers. Ido Erlichman, CEO of Kape, said "This is a game changing moment in Kape's development". It certainly looks that way.

RELX, the British publishing turned analytics group paid £580m, an alarming sounding 25x revenues, in 2018 for **ThreatMetrix**, a fraud detection tool, by far its largest acquisition in 10 years. ThreatMetrix's Digital Identity Network is one of the largest repositories of online digital identities, encompassing 1.4 billion unique online identities. ThreatMetrix, which launched in 2005, collects information like device type, location and user behaviour to make sure the person logging in to things such as banking services definitely is who they say they are, which eliminates the need for complicated login. Shareholders are certainly warming to this bold move as they have risen 20% in 2019 despite the eye-popping valuation. RELX has secured a bright future away from its heritage in print and even sold Farmers Weekly, its last remaining trade magazine, in December 2019.

AI and Machine Learning

Temenos has acquired **Logical Glue** for £12m. The specialist provider of "explainable" AI to financial services providers, was co-founded in 2012 by Professor Hani Hagras, an expert in fuzzy logic and XAI systems. It helps users to better understand the rationale behind the outputs of AI and Machine Learning. Regulators are increasingly mandating that institutions be able to explain automated decisions that affect their customers (e.g. GDPR includes 'a right to explanation' for all decisions made by AI).

Blue Prism has grown to become a £900m market cap company rising 15x since its listing in March 2016 but in 2019 its shares marked time. RPA is a hot space and the organic growth is impressive but the rating is still stratospheric. In June, Blue Prism made a bold move agreeing to pay £80m in cash and shares for **Thoughtonomy**, a UK SaaS business employing 52 people. At a whopping 10x revenues, and based on the £3m loss, it is a great deal for the vendors. Its Machine Learning (ML) and Natural Language Processing (NLP) capabilities are no doubt attractive in developing Intelligent Automation.

> "10x revenues – there's a thought"

Dods PLC acquired **Meritgroup** for a total consideration of £22.4m on a debt free basis, payable in a mixture of cash and shares. Funding is provided by equity. Today Merit collects several million data points daily from around 3,000 sources in Maritime, Construction, Fashion, Oil & Gas, Retail and Metals. Merit deploys AI and ML technologies, so it can efficiently categorise and enhance high volume and high frequency data, including unstructured data. Merit's data is supplied to many leading information businesses, including Informa, Ascential, Dow Jones and Wilmington.

Cognizant acquired **Zenith Technologies**, a life sciences manufacturing technology services company headquartered in Cork, Ireland. Zenith specializes in implementing digital technologies to manage, control and optimize drug and medical device production. Interconnected "smart factories" have become a strategic priority for the industry, with production systems and processes becoming more complex because of research advances, and increased demand for large-molecule biologics. The combined Cognizant-Zenith Technologies expertise will deliver a range of Industry 4.0 capabilities, from factory design consultation, machine sensor and controller instrumentation, supervisory control, and data acquisition, to manufacturing, batch automation, ERP integration and managed services.

Twitter has acquired **Fabula AI**, a London-based start-up that uses ML to help detect "fake news". The plan is to work toward finding new ways to leverage machine learning across NLP, recommendation systems, reinforcement learning and graph deep learning. Founded only in 2018, Fabula is a real true start-up and probably more of an acqui-hire. It has developed a patented AI system it calls "geometric deep learning" – effectively algorithms that learn from large and complex data sets gleaned from social networks. Fabula focuses on detecting differences in how content is spreading on social media and allocating an authenticity score to determine if news is fake or not. Such an approach, given it is based on the "propagation pattern" through huge social networks, is more resilient to adversarial attacks. The deal has hallmarks of Twitter's acquisition of Magic Pony a few years back and **Facebook**'s acquisition in 2018 of another London-based start-up, **Bloomsbury AI**. The Donald is not keen on fake news, so will be delighted with this, particularly with US Presidential elections in 2020.

Apple acquired London start-up **DataTiger** in a bid to boost its digital marketing for its fast-growing services business. DataTiger, which uses artificial intelligence, says it can "optimize the marketing journeys" of customers by harnessing user data to target them with marketing messages including mobile push notifications. DataTiger CEO, Philipp Mohr, said the Company seeks to "bring the stale era of 'email-list thinking' and slow, campaign-based marketing to an end". The start-up's AI-driven marketing capabilities could help Apple customise content and direct users to content that is relevant to them. Apple has also quietly acquired UK based **iKinema**, a motion capture technology company for use in virtual reality and web animations. iKinema specialises in software for motion capture, games and VR.

Pinacl Solutions the Welsh based Internet of Things (IoT) specialist was acquired by private equity firm **Aliter**, which also owns fellow IoT provider Boston Networks. Pinacl was seeking to enter local full fibre networks (LFFN) programmes which had funding requirements for city bids. They went in search of venture capital to facilitate this, and that is how it crossed paths with Aliter. "Our approach really was to get some gap funding in place and that culminated in Aliter liking us so much that it bought the company," CEO Rob Bardwell said. The Company hit the £20m revenues last year, and with Aliter's funds at its disposal, Pinacl should grow aggressively.

> "Pinacl sought funding but found a Buyer"

Public and Health Sectors

Civica has been busy buying 2 companies in 2019 after it acquired 6 in 2018. Their deals include Derby based occupational health, and health & safety software provider **Warwick International**, delivery management software specialist **TranSend Solutions**. The Tees Valley-based company specialises in supply chain electronic proof of delivery (ePOD) and route planning software applications. It had revenues of £4m and 20% profits. The business has been transforming to a SaaS business model, and is used by more than 75 major organisations, including Seven Trent Water, Wessex Water and Wincanton. 2018 deals included **Trac Systems**, which provides cloud software and related services to the NHS and the wider public sector for the complete recruitment process, from advertising vacancies and managing applications to on-boarding and induction. Others include cashless catering and EPOS provider **Nationwide Retail Systems** (NRS) to expand its payment systems business. Barnsley-based NRS is an established provider of integrated payment solutions, particularly in the education sector where it provides cashless catering systems to more than 2,000 local authority, school and college customers. Civica also acquired **ERS Group** who had revenues approaching £40m. ERS was formed in 1988 when it spun out of The Electoral Reform Society, providing end-to-end ballot, election and voting services and has managed more than 50 million registrations. It's an impressive list of deals and credit to Robert Stroud who has led to the M&A for the past 10 years completing over 40 deals.

"Civica – 40 deals in the past decade"

Meanwhile **Capita**, which not long ago was an acquisition machine, has not made any acquisitions, which says it all. They are still clearing the decks having sold Construction Online and Supplier Services in 2018.

Northgate Public Services, which is now owned by Japan's NEC after it paid £475m in 2018, has started to make a number of in-fill acquisitions. In early 2019 Northgate acquired **APD Communications**, which has mission critical control room software for police forces, airports etc. They then acquired the eye screening businesses of **EMIS Group** for a total cash consideration of £15m. The eye screening businesses formed the Specialist & Care segment of EMIS Group, which were valued at just 0.75x revenues but a healthy 13.6x profits. Then in June, NPS acquired **Snook**, a service design agency which is the 4th acquisition NPS has made since it was acquired by NEC in 2018. Snook is based in Glasgow and London and specialises in redesigning services in the public sector. It looks a good fit as Snook provides an opportunity for NPS to become involved at an earlier consulting stage of a project development.

Granicus, the provider of cloud-based software solutions and digital engagement services for the US public sector acquired **Firmstep**, a London-based provider of government service transformation. As Granicus CEO, Mark Hynes, explains they "provide critical services such as permits, applications, licenses, payments and other transactions to their communities digitally, cost effectively and with the unified, consistent and modern experience".

The Panoply Holdings, the digitally native technology services Group, acquired **FutureGov**, a leader in digital service design for the public and health sectors. Consideration was circa £12m, half in cash and half in shares. Valuation was 1.9x revenues and 8x EBITDA reflecting the consulting nature of FutureGov. It also makes sense tying in key management with equity in the business going forward. The acquisition transforms the shape of The Panoply, with circa 45% of group revenue now coming from the health and public sectors following completion.

Neal Gandhi, CEO of The Panoply said: "FutureGov in every way reflects our own ethos, as a digitally native company built for the demands of the 21st century". The Panoply is in a hurry, having only listed in December 2018. This is their fifth acquisition having acquired digital agency **Deeson** and **GreenShoot Labs**, a provider of enterprise digital solutions using AI, which is related to Deeson.

Advanced has acquired Dublin-based **CareWorks**, a provider of Cloud based case management software for health and social care organisations. Used by over 50,000 care professionals, the Company supports the goals set out in the NHS' Long Term Plan to build integrated care systems by 2021. CareWorks is a fast-growing business with 60 employees and operates in the UK, Ireland and US. CareWorks is the first acquisition announced since Advanced received an investment from BC Partners. Gordon Wilson, CEO of Advanced comments: "The social care sector in particular is increasingly becoming a focus for government as our population ages and we witness a rise in mental health conditions". Michael Dolan, CEO of CareWorks will no doubt be delighted. **Advanced** continues to make a series of in-fill acquisitions. Advanced has also acquired workforce management software company, **Kirona**. Based in Alderley Edge, Kirona provides a mobile solution for businesses with field-based service teams, with 80% of revenues in social housing. It also acquired **Oyez Professional Services** and US based application modernisation specialists, **Modern Systems**.

"Advanced is moving forward"

Idox has had a tough time as reflected by its share price which is around the level it was at 5 years ago. They have a new CEO, David Meaden, at the helm but despite losing money and having a fair bit of debt they are returning to the M&A table acquiring **Tascomi** for just over £7m (including its debt). Tascomi, based in County Down provides regulatory services for local government with all its systems cloud-based and natively mobile. Idox are paying a punchy 3.7x revs and 10x EBITDA. They are acquiring a local authority competitor, but this may well be about technology and moving idox to the cloud more rapidly.

BearingPoint, the large Dutch based consultant has expanded their UK Public Sector team through the acquisition of specialist consultancy, **Prederi**. It's a bit of an odd one as Prederi only employs 20 staff with capabilities across finance, strategy, change management, digital and learning and development. The firm's clients include the NHS, local government, regulators and Ministry of Defence, Ministry of Justice and the Department of Health.

Servelec was acquired by Montagu Private Equity in a £225m takeover and delisted in January 2018. They subsequently sold Servelec Controls a PE-backed MBO team. Now focused on healthcare, Servelec has announced the acquisition of **CareerVision**, who provide case management and information solutions to local government children's and young people's services teams. They employ 40 people and look a good tuck-in deal for Servelec.

HR/EdTech

UK based publisher **Emerald Group** based in Bingley, acquired **Mind Tools**, the digital learning and performance support company. Mind Tools provides access to 2,400+ resources, including articles, podcasts, videos, infographics, quizzes, etc. Husband and wife team, James Manktelow and Rachel Thompson, set up MindTools.com, a website where people could use short video to learn what it takes to become a successful and effective leader. But in this case the leaders have left, as the founders exited the business on sale.

Hg Capital sold **Allocate Software** to **Vista Equity** in another private equity pass-the-parcel in the middle of 2018. Since then they have made two further acquisitions: firstly, **247 Time**, a leading cloud-based supplier of contingent healthcare workforce software. 247 Time provides vendor management, payroll and direct engagement technology to healthcare and enterprise sectors. Followed by, **Wambiz**, an innovative provider of app-based staff engagement solutions for the health, education and enterprise sectors. Allocate grew revenues an impressive 20% last year.

London-based online degree platform **FutureLearn**, raised £50m from Australian-based online job matching group, **Seek**, in exchange for a 50% of its equity. Open University, which had wholly owned the FutureLearn platform, retains the other 50% of equity following the Seek Group investment. Clearly this is a move to compete with highly funded EdTech start-ups. "Education improves lives, communities and economies and is a truly global product, with no tariffs on ideas", said OU vice chancellor Mary Kellett in a statement on the investment.

"No tariffs on ideas"

Tech recruiter **Harvey Nash Group** was acquired at the very end of 2018 for just under £100m by **DBAY** who already controlled 26% of Harvey Nash shares. DBAY took a significant stake in Harvey Nash in 2017. Valuation of the deal was just 10% of revenues but 9x EBIT. The 130p valuation looks good relative to its share price but not so pretty compared with its £8 peak in the dotcom boom. DBAY are UK value investors who "invest in companies overlooked or deeply misunderstood by the market and in many instances out of favour with investors, often taking a contrarian view." They quote Benjamin Graham "The intelligent investor is a realist who sells to optimists and buys from pessimists".

"A realist who sells to optimists and buys from pessimists"

UK listed **Tribal**, who provide software and services to the education sector have not made many deals in the past few years but have acquired **Crimson Consultants** for 2x revenues plus earn-out. Crimson has been working in the education sector for over 10 years and has developed a full range of tools that utilise the CRM capabilities of Microsoft Dynamics 365 to create a cloud-based, education-ready "student relationship management" solution. Crimson provides solutions to many of the leading universities and colleges in the UK, including the University of Cardiff, the University of Aberdeen and Durham University.

UK listed **Pearson** sold its US textbook business in a very strange deal that showed a distinct lack of competitive buyers as it got $250m but just 10% upfront for a business that makes £20m profits. The rest is deferred for between 3-7 years. Hardly textbook.

"Textbook? Hardly"

US BPS specialist, **Alight Solutions**, was previously part of Aon Hewitt before it was acquired by PE firm Blackstone. In 2019 they acquired Hemel Hempstead based **NGA Human Resources**, a provider of HR and payroll services including NGA HR's platforms - 'hr.' a centralised point to access payroll and 'euHReka' a multi-tenant cloud payroll platform. NGA stands for Northgate Arinso reflecting its history when Northgate was a much larger beast, it is now part of NEC.

Cloud Software

Horizon Capital made 3 platform investments in 2019. Horizon has made a total commitment of £25 million to the buy and build of **Ascent Software** taking a majority stake and simultaneously acquiring **TechHuddle** in a £30m transaction. Ascent provides custom software development enabling 'digital transformation' (which has to be the most used tech phrase of 2019) in UK and German markets. Ascent follows Horizon's investments in data analytics and strategy provider **Strat 7** in March. In June it bought out EES for Schools from Essex County Council and rebranded it **Juniper Education**, whilst also committing £20m partly to fund yet another buy-and-build consolidation in software and services provision to primary and secondary schools in the UK. EES is most well-known for its school assessment system, Target Tracker, which is used in approximately a quarter of primary schools in England. In 2019 Horizon have also completed a total of 15 add-on acquisitions for the portfolio of 13 growing Technology and Business Service companies.

Sanderson are no over-night sensation, having listed over 15 years ago. The ERP and SCM solutions specialist was seen as solid rather than spectacular but nevertheless was acquired in 2019 by US based **Aptean** for just over £90m. Aptean, itself a provider of ERP and SCM solutions to the manufacturing industry, was formed from the 2012 merger of Consona and CDC. Aptean is ultimately controlled by funds managed by TA Associates and Vista Equity Partners. They are paying around 2.5x revs or 16x EBIT for Sanderson who join a very long list of listed companies that have been acquired.

CGI, the $11bn revenue Canadian IT consulting and integrator, has surprisingly acquired **SCISYS** for £79m or about 1.3x revenues and only 8x EBIT. Based in Chippenham, SCISYS was listed on AIM in 1997 and has an interesting history, having rebranded a few times and has evolved (pretty slowly) taking nearly 40 years to reach revenues of just under £60m. It is now a curious mix of Anglo-German software and services businesses with expertise in Broadcasting, Defence and Space. Globalisation would seem to be the rationale. George Schindler, President and CEO, CGI said "SCISYS' industry-leading expertise and IP-based services and solutions will provide an opportunity to globalise certain platforms utilizing the broader CGI geographic footprint and client relationships".

"The future is Clear"

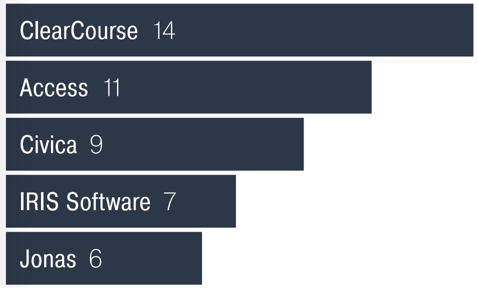
ClearCourse Partnership are a buy-and-build platform that is absolutely smoking. They are by far the most acquisitive company in the UK in 2019. Backed by US based Aquiline Partners, they were only created in September 2018. Josh Rowe their Head of M&A has impressively acquired 14 companies already - more than one a month. Target companies are focused on membership organisations and they help their customers to manage their members and clients, administer their business workflow and to automate their payment processes. The deals are all focused on Membership and Payments. It's quite a collection of deals from a standing start and quite an integration headache at some point. However, Aquiline have already done this successfully in the US with **TogetherWork** and it's not just a buy and build for scale (like say **Volaris** who are also vertically focused (and who acquired 20 companies globally in 2019). There is a clear end game to eventually monetise the membership renewal payments by using embedded payments systems. Interesting.

- **APT** – Membership software
- **Silverbear** – CRM platform for membership
- **Circdata** – Conference and exhibition event software
- **Intelligengolf** – Golf club membership software
- **Decisions** – Membership CRM
- **instaGiv** – Digital mobile fundraising for charities
- **MillerTech** – CRM for NFP
- **Crafty Clicks** – Address verification software
- **NetXtra** – Digital engagement for NFP
- **Trillium** – CRM provider to membership
- **e-clinic** – Health clinic management software
- **Giftpro** – Gift voucher management
- **BrightOffice** – CRM provider
- **Protech** – CRM provider
- **Clear DirectDebit** – Direct debit payment services

IRIS made 4 acquisitions in 2019 (and 19 in the past 6 years) including Innervision, Hosted Accountants and BioStore. **Hosted Accountants** was founded in 2008 to bring IT consultancy services to the UK accountancy sector. Since 2015, the business has experienced strong growth driven by a partnership with IRIS for the provision of IRIS Hosting, its solution for accountancy practice IT management. **BioStore** is a provider of identity management and cashless catering solutions to UK schools and businesses. **Innervision** provides specialist compliance software and services, mainly around leasing which could be timely as IFRS and GAAP accounting changes have recently been made relating to how leases are recognised on financial statements. Last year ICG joined Hg Capital in taking a stake in IRIS Software Group, valuing it at £1.3bn, and became one of UK's largest ever private equity led software buyouts.

"The Top 5 UK acquirers are all PE backed"

TOP UK BUYERS SINCE JAN 2018



Since Accel-KKR's investment in 2015, **Kerridge** (KCS) has made 11 acquisitions. Last year KCS (ERP and supply chain solutions) acquired listed Electronic Data Processing (EDP) for £12m. Late in 2018 they added **Insphire** (heavy plant software) and **Current RMS** (AV and events software). In 2019 they acquired US based MAM Software for $155m. MAM Software has solutions for the automotive parts, tyre and vertical distribution industries. The deal valuation is 4.4x revenues and 35x EBIT but presumably there will be synergies which will reduce that heady multiple. Yet another PE backed buy-and-build story.

Bentley Systems has had twins. Bentley acquired **Keynetix**, a cloud-based software for capturing, visualizing, modelling and sharing of geotechnical data. The addition accelerates Bentley's vision of enabling subsurface digital twins for infrastructure projects and assets. Apparently, subsurface digital twins can be vital for assessing and managing risks in infrastructure projects, and to the planning, design, construction and operations of infrastructure assets. Last year they acquired **Legion**, a pedestrian simulation software provider. It simulates and analyses the foot traffic on infrastructure assets that include rail and metro stations, stadiums, shopping malls and airports. Operators can accurately test designs and operational or commercial plans to enhance footfall, wayfinding, crowd management and safety.

AVEVA, the UK listed global leader in engineering and industrial software, acquired the software assets of **MaxGrip**, an AVEVA partner since 2017. MaxGrip is a pioneer in optimising asset performance with Reliability Centred Maintenance (RCM) solutions.

Sage announced that it has acquired Irish start-up and Dublin-based **AutoEntry**, which provides data entry automation for accountants, bookkeepers and businesses. Brendan Woods, Founder and CEO of AutoEntry, said: "Bringing automation to the front line of accounting has become arguably one of, if not the most, influential step changes to accounting in recent years". Sage said that AutoEntry's 200 employees will continue to work with the Company. The automation solution is currently used by more than 3,000 accounting and bookkeeping practices, and it services in excess of 150,000 businesses.

eCommerce

Just Eat gobbled up **Practi** for £7m plus earn-out. Practi is a software service that provides independent restaurants and small chains with tablet-based Point of Sale (PoS) and restaurant management systems to help them manage their businesses more efficiently. Just Eat will now be able to provide its restaurant partners with PoS, cash and card payment handling, inventory management, kitchen operation and employee management systems, all within a single software package across multiple devices. An interesting deal but Just Eat are about to get eaten after a £6bn deal with Takeaway.com.

> "Eat or be eaten"

GoCompare, the listed group founded in Wales by Hayley Parsons has acquired **Look After My Bills** for £6m upfront, plus £2.5m deferred, plus up to a further £4m earn-out i.e. a max of £12.5m. Look After My Bills (who offer energy savings through price comparison services for consumers) appeared on Dragon's Den in 2018. Will Hodson & Henry De Zoete, Co-founders of Look After My Bills, said: "Look After My Bills is on a mission to ensure no-one gets ripped off again, ever. We are proud to share that vision......Why spend hours finding a decent price each year when you can appoint an expert to deal with all the hassle for free?" Quite.

TrueCommerce is a KKR owned global provider of software and communication technology used for e-commerce and data interchange in the supply chain. In December they acquired UK listed **Netalogue**, although you may have missed it as the headline price was just £5m. The Netalogue B2B e-commerce Platform is used by manufacturers, distributors and wholesalers to create B2B e-commerce websites to sell their products online. Clients include Marstons, Chubb, Bunzl and Greene King.

Blackstone acquired a majority stake in dating app start-up, **MagicLab**, for $3bn. Founded in 2006 by London based Andrey Andreev, MagicLab's suite of brands – which includes the dating and social networking apps Bumble and Badoo – has connected over 500m people around the world across dating, social and business. As part of the acquisition, Mr Andreev is stepping down from the business. He will be replaced as CEO by the fabulously named Whitney Wolfe Herd, Founder and CEO of Bumble.

Mercell, a provider of e-tendering SaaS solutions in the Nordic region has acquired **EU Supply** for £15m or 3x revenues. Headquartered in Oslo, Norway, and with a market presence in seven countries, Mercell's software solutions simplify the public procurement process. In July 2018, Mercell received investment by Viking Venture, a leading Nordic B2B SaaS investor. EU Supply has been listed on AIM since 2013 but is actually a Sweden based e-procurement business. Their CTM™ platform is used by over 8,000 European public sector bodies. EU Supply shareholders will be happy as the shares have fallen from 45p in 2014 to 10p at the start of 2019. Why it was ever listed, I am not sure.

BCA Marketplace (British Car Auctions) is not really an e-commerce business but it sure is behaving like one. The owner of **We Buy Any Car** consumer business has received a private equity backed offer at a 25% premium to its share price from **TDR Capital**. Meanwhile shares in UK car dealers are generally heading in the other direction. Shareholders in BCA, including the cash strapped Neil Woodford, are not surprisingly very interested. 12x forward EBITDA is pretty good for a car retailer in a very tough market. Another deal in a long list of PE buyers using cheap debt to leverage cash flows.

British tech unicorn, **Deliveroo**, has acquired Scottish software design and development firm, **Cultivate**, giving it a tech hub in Edinburgh. The Scottish firm helped build Deliveroo's payments systems and will continue to work on improving the payments experience for couriers and partner restaurants, provide more data to both, as well as additional ways to offer financial support (e.g. with cash flow management). Deliveroo says it currently works with over 80,000 restaurants and take-aways, as well as 60,000 riders.

In a creative deal, **OnTheMarket** acquired a 20% share in **Glanty**, the owner and developer of 'teclet', an automated portal for the residential lettings industry. The plan is to deliver an agent backed alternative to Rightmove and Zoopla. OnTheMarket has also agreed an option to acquire the remaining 80% of Glanty. The plan is to provide capital until Glanty breakeven in 2021, and they then have a right to acquire the balance for up to £12m based on results in the next 3 years.

Communications

KCOM has struggled to expand its operations beyond regional broadband and network connectivity into cloud hosting and managed services provision. Revenues were flat. The appointment of ex-BT executive, Graham Sutherland, and other key boardroom changes in January all came a bit late. So a bid for £504m from the Universities Superannuation Scheme (**USS**) went down well, following a difficult period for the East Yorkshire telco. Just a few weeks later up popped **Macquarie Infrastructure** who gazumped USS with a £563m offer, some 12% higher. Another example of the wonders of "competitive tension".

> "Competitive tension adds value in Hull"

Last year UK based **GCI** raised a £60m war chest from **Mayfair Equity Partners** to fund acquisitions. They are now spending it, acquiring Modality Systems and Nasstar in 2019. **Modality** is a Microsoft communications and collaboration practice with operations in the UK, US, Asia and Australia. The acquisition will enable GCI to expand its business internationally for the first time and capitalise on the growing global market for its Microsoft-based, cloud-enabled communications services. Microsoft Teams has become Microsoft's fastest growing business application of all time and leveraging its growth appears to be a key driver here.

James Rodd, Modality CEO said: "We believe there is great potential given that Microsoft Teams alone is set to become the second-biggest workplace collaboration app by 2020, surpassing both Slack and Google Hangouts". Telford-based **Nasstar** has an interesting history. David Redwood originally founded the company, called e-know.net, in 1998 after he famously came out of retirement because Mrs Redwood got sick of having him around the house. Before attempting to retire, David had previously founded a systems integration business called Largotim in 1979 that he grew into a £60m business before selling to TRW in 1997. The DNA of the business from day one was fully hosted and fully managed services, with technical support 24/7. In 2014, e-know.net merged with Nasstar in a reverse takeover to form the Nasstar Group.
GCI are on a roll.

> "Don't hang around the house"

Inflexion invested in managed IT and communication services business, **Ridgewall Group**, and backed the simultaneous acquisition of **QDOS SBL**, a specialist provider of managed IT and communications to the hospitality industry. Ridgewall was created in 2011 and provides business critical services in IT, communication and cyber security to SMEs. QDOS SBL is Ridgewall's 4th acquisition in the last year. The combined group now employs over 100 people. Dominic McAnaspie, Chief Executive, Ridgewall is staying to "take a leading role in consolidating what we see as a fragmented industry".

ICT Managed Services

The ICT managed service sector has been and remains at the forefront of the convergence between IT and Telecoms and with the adoption of IP Telephony service. This long talked about convergence is getting ever closer at an accelerating pace. As a result, Telecoms Service suppliers are seeking IT skills and vice versa. Hence the current wave of PE owned consolidators that are aggressively growing by acquisition at a rate not seen before. In particular, the following have been active:

PE OWNER	CONSOLIDATOR
Charlesbank	6degrees
BGF	Olive Comms
August Equity	Charterhouse
Apiary	Connect
Beechtree	Wavenet
ECI	ITLab
Horizon	Timico
LDC	OneCom
Dunedin	Incremental
Livingbridge	Giacom
Mayfair Equity	GCI
Inflexion	Ridgewall

> "Convergence at last"

The Access Group is another successful PE owned buy-and-build factory focused mainly on the mid-market but its 6 acquisitions in 2019 are across a disparate range of sectors. Backers **Hg Capital** and **TA Associates** are funding a steady stream of in-fill acquisitions and no wonder as the business is flying with latest revenues and EBITDA up 40%. No wonder Hg valued it at £1bn. 2019 additions include: **People HR**, a Doncaster based HR solutions provider and **The Payroll Service Company**, a Cambridgeshire based Payroll solutions provider, **Eazy Collect**, one of the UK's leading payment platform providers for SME's, not-for-profit, blue-chip corporates and public sector. Eazy Collect processes in excess of 4m payments per year, with a consolidated value in excess of £400m, **Joyful**, a Not-For-Profit donor and member attraction website software supplier with over 10 years' experience providing software exclusively to Charity and Membership organisations. **Riliance**, an online training, compliance and risk management solution provider in the Legal Sector with £3m revenues. **Volcanic**, a recruitment and staffing website software supplier with over 10 years' experience providing software exclusively to the recruitment industry and **Unicorn**, the provider of learning technology solutions.

CentralNic, the AIM-listed provider of internet domains continues to grow aggressively through acquisition. They acquired Munich based domain name monetisation services provider, **Team Internet**, adding 40 staff to its German team, now almost 200 strong. CentralNIC has acquired 5 companies in the past year, tripling revenue. They are paying $48m for Team Internet, funded via a bond issue and seem to be paying just 5x EBITDA. That seems a good deal but apparently the real potential of the deal is to cross-sell and bundle its domain monetisation service with a portion of CentralNic's domain name registrations, of which it has 18.6m under management. It will double CentralNic's size.

SysGroup has acquired **Certus IT** for an initial cash consideration of £8m. The Company also raised £10m from the capital markets, which, in addition to its new £5m banking facility from Santander, will enable greater fire power for more deals. In 2015, Certus IT was named the Dell EMC Cloud Partner of the Year, and the acquisition will bring Dell EMC Gold Partner status to the enlarged group. This will complement SysGroup's existing portfolio of senior vendor partnerships, including WatchGuard Platinum Partner, Microsoft Gold Datacentre Partner and Kaspersky Gold Partner. SysGroup also acquired **Hub Network Services** based in Bristol. HNS is a managed connectivity and co-location solutions provider. The deal will see HNS' network infrastructure, supply agreements and extensive experience in the industry compliment and expand SysGroup's existing managed IT and cloud hosting offering.

Computacenter has started an overseas push, in 2018 it bought San Francisco based, **FusionStorm**, a Sourcing and Professional Managed Services specialist. Computacenter paid an initial cash consideration of $70m and will pay an additional $20m depending on profit levels. That was followed by a Dutch business called **Misco Solutions**, a value-added reseller and service provider. They employ about 200 staff and had revenue of €134m. In 2019 they have acquired **Pathworks** in Switzerland, a tiddler with just 10 staff, but the direction of travel is clear with a global push, one step at a time.

Allvotec is a new name and an interesting addition having only been created in June 2019 as a spin out from Daisy Group. Focused on IT and unified comms they have a Partner-only model and are not hanging around by acquiring Egham based managed services provider, **ISG**, who as a Cisco Partner provide network design and management services in retail and public sector, with customers including Tesco and the Ministry of Justice. WestBridge supported a £10.5m management buyout of ISG in July 2016. Revenue is £25m with 175 staff spread across the UK and a NOC in Bulgaria.

PE firm ECI Partners took a majority stake in **IT Lab** in 2016 and they have been steadily expanding via acquisition with a deal a year. Cyber security specialist, Perspective Risk, was bought in 2017 and Microsoft partner, Content and Code, was purchased in 2018. In 2019 Milton Keynes based **Mirus** was acquired to extend its managed services propositions and boost revenues to £75m. Peter Sweetbaum, CEO of IT Lab, said that "By coming together, we are able to help Mirus' clients benefit fully from Microsoft's 3 Clouds and the transformational capabilities of Dynamics; SharePoint; Teams and Power Apps in addition to Mirus' Office 365 and Azure offerings".

CACI has acquired Cheltenham based, **Deep3 Software**, which provides cyber security intelligence and digital transformation services to customers in the national security, defence and law enforcement sectors. They also acquired **MooD Enterprises**, who provide software and managed services to defence, national security and commercial organisations. MooD have been around for a bit, having been founded 32 years ago in the year that the Berlin Wall came down and Tim Berners Lee was dreaming up the internet. Although it wasn't as momentous an occasion as the other two, its platform is used for digitisation of the Royal Navy's Fleet support system, the communications battlespace architecture for the RAF and the core architecture system for Jaguar Land Rover. The sale will no doubt have put Bernie Edwards, Founder and Chairman, in a good mood.

"In a very good MooD"

PA Consulting has bought US based innovation consultancy, **4iNNO**, whose clients include Procter & Gamble, Kellogg's and Bridgestone. It only has 24 staff, so a real in-fill deal, and will not move the needle but is PA Consulting's fifth acquisition recently, following purchases such as; We are Friday and Sparkler in the UK.

Novosco, founded by two Northern Ireland entrepreneurs, has been acquired by the German-listed **Cancom** in a £70m deal. Novosco, established by Patrick McAliskey and John Lennon in 2007, employs 300 people across three sites in Belfast, Manchester and Dublin. The price paid equates to 1.3x revenues or just 7.5x EBITDA in what looks a nice deal for Cancom. The buyer has revenues of €1.4bn but is not well known in the UK as evidenced by the fact that Thomas Volk, CEO of Cancom, said: "Virtually all Novosco customers have no business connection to us yet".

Digital Media and Marketing

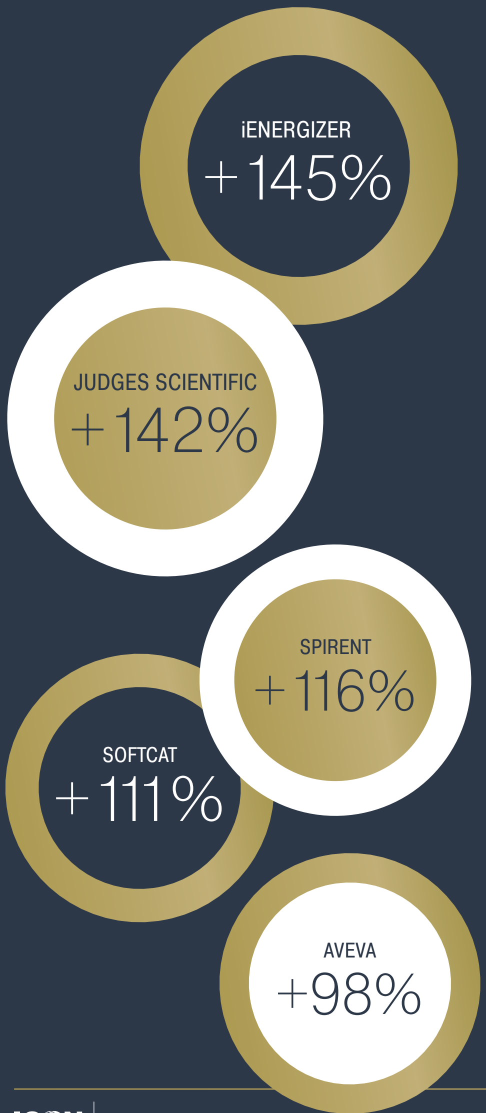
Roper Technologies, a $38bn US technology company, acquired **Foundry** in an all-cash transaction valued at £410m which equates to a very impressive 9.5x revenues. Foundry is a leading provider of software technologies used to deliver visual effects and 3D content for the digital design, visualisation, and entertainment industries with a 20-year heritage. Clients and partners include major feature film studios and post-production houses such as Pixar, ILM, MPC, Walt Disney Animation, Weta Digital, DNEG and Framestore, alongside others like Mercedes, New Balance, Adidas and Google. Foundry partners with these companies to "solve complex visualisation challenges to turn incredible ideas into reality". The management team is led by CEO, Craig Rodgerson, who will continue to lead the business from its London headquarters.

"Turning incredible ideas into reality"

Lead management company, **Akkroo**, has been acquired by US based company, **Integrate**, in a £25m deal. Akkroo provides a solution for lead collection which gives power to B2B marketers by letting them collect leads at any trade show or event using the Akkroo iOS and Android app. Having launched in 2013, the Company has apparently doubled revenue every year since 2014. The acquisition will see Founder, Chris Wickson, and his team of 50 join the enlarged group. "Revenue acceleration happens when you unify the top of the funnel," said Jeremy Bloom, Founder and CEO of Integrate. He went on to say, "With Integrate and Akkroo, our customers will understand how in-person events contribute to pipeline and revenue while having access to a best-in-class, global solution for collecting, processing and managing event leads at scale." Quite.

UK listed digital communications group **Next 15** has acquired predictive analytics and data marketing specialists, **Planning-inc**, which, despite the name, is a UK company based in trendy Southwark. The transaction is worth an initial £6.3m, with the potential consideration rising to £15m by 2023 subject to an earn-out over the next 5 years. Yes, a 5 year earn-out. But when your main asset is a team of 55+ analysts, programmers, developers, digital engineers and marketers then you need to incentivise them, but 5 years is a very long time, too long maybe.

UK Listed Tech Companies **Rising & Falling Stars – 2019**



Risers

Companies with best share price performance are included in the following, many of whom have confusing names but they also have impressive profits growth which has been the main driver for share price performance;

iEnergizer (+145%) which sounds like a battery company or a health drink but is actually a provider of Content & Publishing Process Outsourcing Solutions. The shares have jumped in response to impressive trading with profits jumping by nearly 50% in 2019 and net margins up near 30%. The key is growth in BPO which is growing revenues at +20%.

Judges Scientific (+142%) also has a confusing name, it is not an instrumentation business for the legal profession but is an AIM-quoted group specialising in the acquisition and development of a portfolio of scientific instrument businesses.

Spirent (+116%) is amongst the larger technology companies and has been the star performer of 2019. Again results have been good with interim revenues up 4% but profits grew 16%. However, the shares have melted up due to expectation of strong demand for testing of 5G related products and 400G high-speed Ethernet. As Ericsson notes, "Global mobile data traffic is expected to multiply by 5 before the end of 2024.

Softcat (+111%) doesn't supply cuddly animals. Far from it, Softcat provides IT infrastructure services to a wide range of sectors and has had another great half year with revenues and profits up 24%.

Since appointing new CEO, Graeme Watt, in late 2017 the business has continued its strong growth.

After Schneider Electric acquired 60% of **AVEVA (+98%)** for £3bn in 2018, they kept their London listing. They have now pushed into the FTSE100 as shares continue to rise on the back of increased revenue and profits from the ongoing demand for industrial software and management products. They are now worth £7.6bn.

Fallers

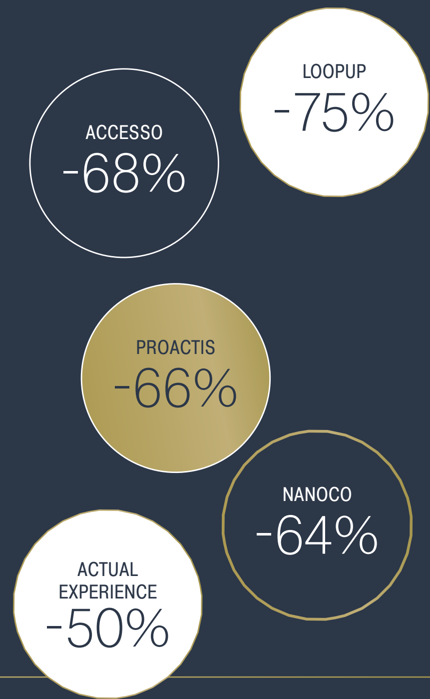
LoopUp (-75%) the remote meetings solution had a major collapse in its shares mid-year when it announced a 7% churn in existing clients, which led to a revenue and profits downgrade. In fact, revenues and profits both grew strongly but clients are apparently just using the remote meetings less. Competition is not blamed but the emergence of Microsoft Teams is a gorilla that surely threatens its potential.

Accesso (-68%) lost investor confidence due to short term uncertainty around the announcement of a change in investment priorities and change in CEO. It provides ticketing, mobile and e-commerce technologies and virtual queuing solutions for the attractions and leisure industry. Its saviour may come in the form of a take-over, buyers are "queuing up" they have received several offers of indicative interest and so its days as an independent company may be numbered.

Proactis (-66%) the spend management specialist had a poor start to the year and a profit warning, leading to a change in CEO. The fall in shares led to an approach from a US investor and a full sales process, and so, like Accesso, its days may be numbered as it now trades at less than 1x revenues.

Nanoco (-64%) like Proactis and Accesso are in the midst of a formal sales process as they review options. It is a specialist manufacturer of cadmium-free quantum dots and other specific nanomaterials. The problem here is that a major US customer has given notice they are not extending their contract into 2020, leading to an instant dramatic share plunge.

Actual Experience (-50%) half year results showed over 3x revenues growth compared to a year ago. However, revenues are still miniscule, and it is still operating at a £3.5m loss. The Company provides digital data analytics-as-a-service and quite why it is listed is a mystery, but shareholders are not enjoying the actual experience.



UK IPOs

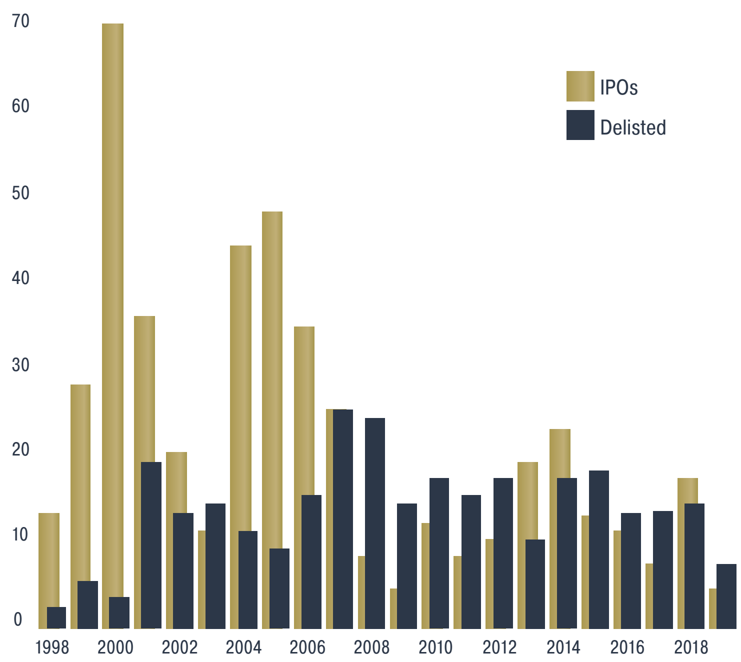
Last year was a record one for Tech M&A in the UK and the funding market was also buoyant with funding of young Tech companies up 44% to over £10m. Yet, 2019 was a very thin year for IPOs. In fact, it was the thinnest in the past 20 years. The last time it was this bad was in the midst of the Financial Crisis in 2009. In 2019 the stock market did rather well.

Go figure. The fact is, many quality Technology Companies remain in Private Equity ownership. It would seem that the main reason for preferring PE ownership is:

- No need to face scrutiny of short-term, public markets
- Very low cost of debt which is used to fund a big slug of PE investments
- Tax deductibility of interest on private equity debt
- Potential for high financial reward for management in the private sector

"Private equity holds all the cards"

UK TECHNOLOGY LISTINGS (No.)



Vin Murria, who founded and ran Advanced Computer Software and is now an adviser to private equity firm Hg Capital, argued that "Right now" she said. "It's like the High Street. Do we wait until everything is a charity shop or coffee shop before we do something?" I think she has a point.

"Trainline is on track"

This is the second time **Trainline** has been on the IPO stage. Their plans to go public back in 2015 were derailed when private equity firm (KKR) bought the business just prior to IPO for £450m. This time Trainline stayed on track! Successfully listing in late June valued at a runaway £1.5bn! Since then, the first quarter results showed a 20% rise in ticket sales which sent the shares soaring and now the Company is valued at £2.3bn, which is a steamy 11x revenue.

Apart from Trainline there were only two other technology IPOs of any interest: software and cloud services provider **Essensys** had a successful IPO in late May with shares over 2 times oversubscribed they managed to raise £28m; and **Induction Healthcare** plans to use the £17m raised from its IPO in late May to fund new features and functionality for its healthcare app.

TeamViewer, a German rival to workplace messaging service, Slack, came to market in Frankfurt in 2019 at a €5bn valuation, bringing a large return for its private equity owner Permira, as well as creating a listed rival to Europe's largest quoted company, SAP. It was the biggest float in Europe in 2019 and very successful as they are up 20% in the first 3 months but, as in the UK, IPO activity has been modest in Europe.

Interestingly, many of those companies that have come to market have done rather well. For example, of those listed in 2018: Prague headquartered cybersecurity company, **Avast Software**, has had a very solid start. Despite having a CEO that accepted a salary of just $1 a year, its shares have risen 50% in 2019. **Integrafin** (investment platform) was also up 50% last year. **Codemasters** is a video game developer specialising in racing games and after a wobbly start had a racy 2019 with the shares rising 75%. One of the exceptions has been **Funding Circle** (SME lender) which has fallen 80% since their IPO as they missed their targets, although with all the Brexit uncertainty it was not the best climate for lending to SME's.

"Some racy valuations"

Largest US Tech M&A Deals in 2019

EV $m	PURCHASER	TARGET	VALUATION (EV/Rev)
43,374	FIS	worldpay	11.1
41,215	fiserv.	First Data	4.8
33,900	xerox	hp	0.6
26,213	globalpayments	TSYS	6.4
18, 162	expedia group	Expedia	1.6
16,308	salesforce	tableau	13.7
10,700	BROADCOM	Symantec	4.6
10,822	H&F	Ultimate Software	9.5
10,070	infineon	CYPRESS	4.1
5,936	APOLLO	TechData	0.2
5,822	DASSAULT SYSTEMES	medidata	8.8
4,557	FP FRANCISCO PARTNERS	LogMeIn	3.7
4,000	PayPal	honey	40.0
3, 100	vmware	Pivotal	4.3
2,600	Google	looker	18.5
2,375	BC PARTNERS	PRESIDIO	0.8
2, 100	vmware	Carbon Black.	11.7

US Tech M&A

One of the stand out valuations in the last two years was **Microsoft**'s acquisition of open source development platform, **GitHub**, for $7.5bn which was an astonishing 25x revenues. The interesting thing is that they paid for it in Microsoft shares. The acquisition is Microsoft's largest since the purchase two years ago of LinkedIn for $26.2bn. Microsoft has become the top contributor to GitHub which hosts some 85 million code repositories and is used by over 28 million developers. Its users include Apple, Amazon and Google. When you have $140bn in the bank it is a little puzzling why you would pay for the deal in shares though. Part of the answer may be in the fact that Microsoft shares have been so strong and given Microsoft shares were up another 60% in 2019 it proved a great result for GitHub shareholders.

> "Microsoft up 60% to $1.2trn"

IBM acquired Linux provider, **Red Hat**, for $34bn in one of the largest ever deals in 2018. At 11x revenues it looked another very expensive acquisition. Red Hat is growing at 20% pa and has a leading market position but that seems to be more than reflected in the price. The idea was to pitch IBM against Amazon Web Services and Microsoft Azure, which use proprietary platforms in their public cloud operations.

However, no magic pixie dust has been sprinkled on IBM's shares which, unlike Microsoft and most other tech players, were little changed in 2019.

> "IBM flat footed"

The payments space is consolidating faster than any other. While payment processing is not core to the Technology space, or this review, it is difficult to ignore the massive disruption/consolidation taking place such as: the acquisition of **Worldpay** by **FIS** for £43bn 11x revenues, **Fiserv** acquiring **First Data** for $41.2bn or 5x revenues and **Global Payments** acquiring **Total Systems Services** for $26.2bn or 6.4x revenues. Although, arguably, the biggest news in the payments space might be the potential threat of **Facebook**'s exciting new cryptocurrency plan (called Libra). The announcement has certainly renewed interest in bitcoin, which has jumped since the news, finishing the year up nearly 90%. This year has already kicked off with the $5.3bn acquisition by **VISA** of **Plaid** the US Fintech that connects banks to apps. It is a significant bet on open banking and estimated at over 20x revenues.

> "Data analytics is hot"

Salesforce paid over $16bn for **Tableau Software**, which makes data analytics software, in an all-share deal. Its biggest deal to date. So, this is a merger really, and given the stratospheric valuation of over 13x revenues then that makes sense. Tableau, which was born on the campus of Stanford University, allows organisations to visualise big data in chart or map form without writing any code. Tableau reported a loss of $77m on sales of nearly $1.2bn. "Tableau helps people see and understand data, and Salesforce helps people engage and understand customers," said Marc Benioff, the Co-Chief Executive of Salesforce. Salesforce has certainly cranked up the deals recently having paid over $6bn for **MuleSoft**, a data integration platform in 2018 which will help customers connect multiple sources of data. MuleSoft only went public in 2017 so had a very short public life. At 22x revenues the price was also stratospheric and was the largest deal done by Salesforce. It also acquired field service software provider **ClickSoftware** in 2019 for $1.3bn to extend the mobile field service management capability of the Salesforce Service Cloud.

SAP, the German enterprise software giant, had a quiet 2019 after splashing the cash in 2018 when they acquired **Qualtrics** for $8bn cash (just behind $8.3bn paid for Concur in 2014). At 20x current year revenues on the face of it, it is a very expensive looking deal. Part of the reason is Qualtrics was nearing a planned IPO, so a premium would be expected but the $8bn compares with $2.5bn valuation in 2017 (when it raised its last round of funding) and the IPO valuation of $4bn. To get value from that sort of purchase price SAP is going to have to extract a lot of synergies. Earlier in 2018 SAP acquired **Callidus** for $2.4bn or nearly 10x revenues. Callidus provides configure/price/quote (CPQ) and sales performance management tools delivered as a cloud service. The products are aimed at managing company sales teams, from initial lead, through to payment. SAP, which has traditionally handled the back-office of some the biggest companies in the world, is moving further into the front-office with this deal.

PayPal have splashed out, what on the face of it, sounds a ridiculous 40x revenues for **Honey Science Corporation**, the makers of a deal-finding browser add-on and mobile app, for $4bn cash. The acquisition, which is PayPal's largest to date, will give them a foothold earlier in the customer's shopping journey. Instead of only competing on the checkout page against credit cards or Apple Pay, for example, PayPal will leap ahead to become a part of the deal discovery process, as well. Honey's 17m monthly active users take advantage of its suite of money-saving tools to track prices, get alerts, make lists, browse offers and participate in rewards programs. Its users tend to be younger, millennial shoppers and will no doubt be expanded to reach PayPal's 300m users. If it can do that then the valuation will start to look much sweeter. In 2018 they also splashed the cash, acquiring **iZettle** a Swedish payments (portable credit card readers for retailers) start-up that was about to become a big $1bn IPO but instead was sold to PayPal for $2.2bn. Yes, double that amount, paying 13x revenues.

> "Sweet deal for Honey – 40x revenues"

Adobe didn't buy much in 2019 but was busy in 2018 acquiring **Magento Commerce** for $1.7bn in another staggering valuation paying 11x revenues. The purchase gives Adobe a missing e-commerce platform piece that works in B2B and B2C contexts and should fit nicely in the Company's Experience Cloud. This isn't the first time the Company has been acquired. Magento was founded in 2008 and purchased by eBay in 2011 for $180m. The Company went private again in 2015 with help from Permira Funds, which sources say paid around $200m. They have just made a fantastic return on that investment. Adobe also acquired marketing automation specialist (and similar sounding) **Marketo** for $4.75bn which is a staggering valuation of nearly 15x revenues. Vista Equity were not complaining as they made a profit of nearly $3bn on their investment in just 2 years. Great marketing.

Google has bought **Fitbit** for $2.1bn in cash. Although they are paying a premium of 70% over the share price before the bid rumours started, it's still only 50% of the $4bn value of Fitbit at their 2015 IPO. James Park, CEO and Founder of Fitbit, sent an email saying "You, our users, are at the centre of everything we do, and it's important that you know that your trust is central to our mission and has been since day one. This will not change by joining Google. We are committed to the same strong data privacy and security protections. You will always be in control of your data, and we will remain transparent about the data we collect and why. We never sell your personal information, and Fitbit health and wellness data will not be used for Google ads". Wearables have a great future but data privacy is an increasing concern. Google also acquired business intelligence and analytics software company, **Looker Data Science**, for $2.6bn, a whopping 18x revenues (a hot data analytics start-up) which will push Google into enterprise software. It's all about the data, stupid.

> "It's all about the data, stupid"

PC and printer firm, **HP**, has rejected a mega takeover approach from printer maker **Xerox**, despite pressure from billionaire investor, Carl Icahn, to agree a merger. They concluded that the $33bn offer undervalued HP and was not in the best interests of shareholders. It is a battle that is likely to run. Xerox was valued at $8bn, so its interest in acquiring larger rival HP is a surprise, but with the printer market in decline there is surely a need to consolidate and cut costs.

Largest ever tech M&A deals

Ultimate Software Group was acquired by an investor group led by **Hellman & Friedman** for $11bn or 9.5x revenues in another very pricey looking deal that was a 30% premium to the existing share price. Its HR management software "manages employee relationships from recruiting to retirement" and is the second-fastest growing provider, behind Workday, in the $17bn human-capital management and payroll-software market.

Carbonite agreed to a $1.42bn purchase by **OpenText**. No wonder they agreed, it was a 78% premium on Carbonite's share price before it was first rumoured the Company was preparing to buy the backup and data recovery company. It also represents over 10x revenues and it's loss making. Carbonite has moved away from a traditional data backup business, by buying endpoint security company, Webroot, for $620m and Mozy (a cloud backup service) for $145m.

VMware acquired **Carbon Black** (cybersecurity endpoint protection platform) for $2.1bn or nearly 12x revenues. At the same time, they acquired **Pivotal** (cloud native apps) for $2.7bn at a more respectable looking 4x revenues. That's quite a shopping spree. Carbon Black was founded in 2002 and went public in early 2018 at a valuation of $1.2bn, so that is quite a jump in a year. The acquisition of Pivotal, which was originally incubated at VMware and EMC Corporation, brings a new developer platform into VMware that makes it easier for developers to write, test and deploy their cloud applications. Two exciting deals but they have yet to excite shareholders as the shares are broadly back to where they were a year ago.

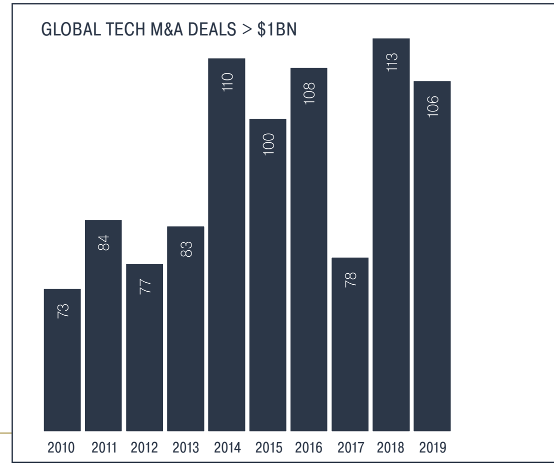
"Accenture – 33 deals in 2019"

Broadcom acquired **Symantec**'s enterprise security in another strange move for the semi-conductor group that acquired CA Technologies in 2018. Cheap legacy software seems to be the attraction. It will get Symantec on about 10x EBITDA or 4.6x revenues based on a value of $10.7bn, so quite cheap, but revenues are on the slide. Interestingly early in 2020 Broadcom have offloaded the services element of Symantec (300 staff) to Accenture who continue to make a huge number of in-fill deals having acquired 33 companies in 2019 at a cost of $1.2bn.

Finally, **McDonald's** (yes, the burger people) has moved into the field of AI following a $300m deal to acquire **Dynamic Yield**, a machine learning company. The plan is to improve the drive-thru experience for customers by providing automatically personalised menus. For example, on a sunny day, Dynamic Yield's systems could recommend that customers buy a McFlurry.

"AI – selling ice cream on a sunny day"

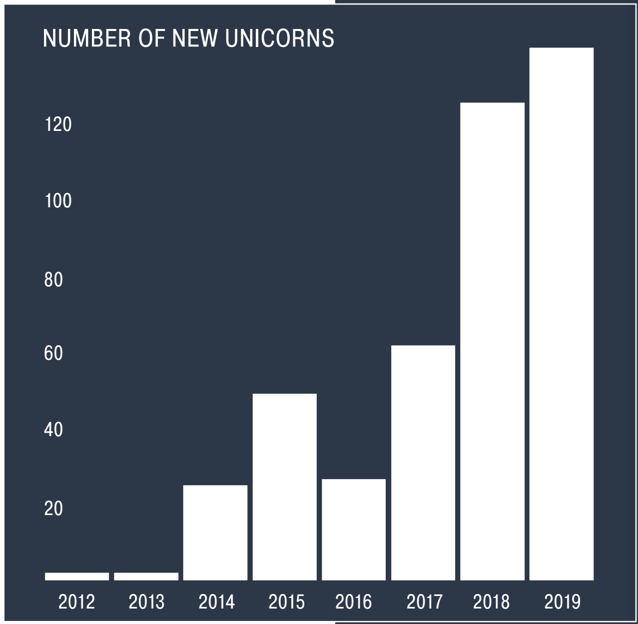
In summary the US Tech M&A market is still flying on a wave of cheap money. The number of deals indicates continued confidence and the number of mega deals with a value greater than $1bn again exceeded 100 for the 5th time in the past 6 years.



US IPOs

One of the main reasons that IPO volumes remain so low is that alternative valuations are simply more attractive, be it trade sales or PE backed buyouts. That is one of the reasons there are only half the number of listed companies in the US compared with 20 years ago. There remains a wall of private equity cash that the industry has raised from investors that is still looking for a home; it is estimated to be over $2tn. With firepower like that the IPO will continue to face stiff competition.

The wall of private equity funding is clearly shown by the number of unicorns (i.e. valued at more than $1bn) which has now exceeded 400, with a staggering 60% of them created in the past two years as young higher growth technology companies stay in private hands rather than seek an IPO. Even though many of them just squeeze over the $1bn mark, CB Insights reckon 140 were added in 2019 alone.



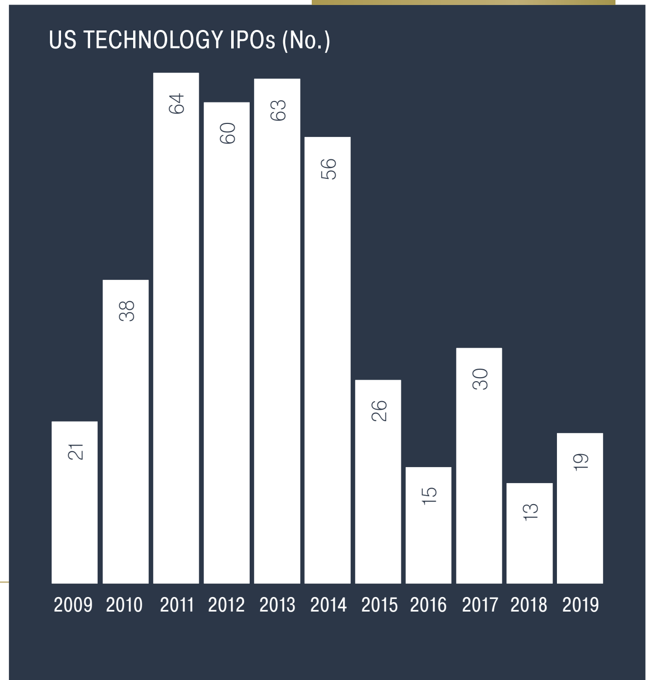
"Uber gives IPO market a Lyft!"

2019 has been a funny year for US tech IPOs with some eye-popping valuations. It is very much a high growth / high valuation market. In general, the unicorn floats have been a flop and the remainder have done really well. After ride sharing company, **Lyft**, was floated with a lofty $24bn valuation, **Uber** was valued at a similarly ambitious looking $82bn, however not quite the $120bn many were expecting. Both Uber and Lyft looked over valued and as a result both shares have fallen significantly (-25% and -38%). Only time will tell if investors are being taken for a ride!

"Are investors being taken for a ride?"

Other US tech firms with strong revenue growth that listed in 2019, include **Zoom** (video conferencing software), **Slack** (workplace collaboration chat) and **Pinterest** (social media). Their performance has been very mixed: Zoom has zoomed and Pinterest was flat but messaging app Slack has slumped as growth slowed. No doubt the new Microsoft Teams competition is not helping. The poor performance of unicorns like Uber and Lyft will not encourage the long list of other unicorns to float (unless the share valuations are cut). There is a long list of unicorns who would like to list such as **WeWork**, **Airbnb** and **Palantir Technologies** - success will depend on how aggressive the valuation is. As WeWork found out some of these pumped up valuations can disappear quite quickly.

"Zoom has zoomed"



ICON Selected Deals

Company	Deal	Counterparty	Sector
silverbear	SOLD TO	AQUILINE CAPITAL PARTNERS LLC	Membership software
MARIMATECH	SOLD TO	TRELLEBORG	IoT
BusinessIntegrity	SOLD TO	THOMSON REUTERS	LegalTech
Cypad	SOLD TO	ParentPay	FinTech
imx software	SOLD TO	INFINEA	FinTech
redland	SOLD TO	ideagen	RegTech
Optimum Contact	SOLD TO	IQVIA	HealthTech
mosaic SMART DATA	FUNDING	J.P.Morgan; COMMERZ VENTURES Commerzbank Group; octopus ventures	FinTech
clinicalcomputing	SOLD TO	QMS; CONSTELLATION SOFTWARE INC.	HealthTech
LogBuy Benefits people	SOLD TO	Reward Gateway	HCM
SentryBay	MBO	THINCATS	Cyber security
insurance2go	SOLD TO	spb	InsureTech
wealthify	FUNDING	AVIVA	FinTech
pleasetech	SOLD TO	ideagen	Collaborative Doc Mgmt
FOCUS GROUP EUROPE	SOLD TO	accenture	ITSM Consulting
The Mobility House	FUNDING	MITSUI & CO.	CleanTech
hns	SOLD TO	SysGroup	Managed services
Applicable	SOLD TO	NTT Communications	Unified Comms

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Note: The information and opinions in this report were prepared by ICON Corporate Finance Ltd. The data was partly provided by S&P CapIQ, plus various other sources and includes estimates, as often full financial info is not disclosed. We have endeavoured to provide accurate and timely information, but we cannot guarantee it. The brief sector overview is provided for general information purposes only and is based on deals announced in the period under review. Note EV referred above is Enterprise Value which is the value of the deal adjusted for the level of debt/cash held by the target.

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