

## Continuing Momentum in the European TMT Sector

Lincoln International's European Technology, Media & Telecom (TMT) Group has announced **21 transactions** thus far in 2024. We have seen robust deal activity across all our key TMT subsectors – Business-to-Business (B2B) Software, IT Services and Data & Analytics. Our average transaction deal size increased to €250 million and strong valuations are being achieved across the sector, with no notable difference to the highs of 2021 to 2022 for the highest quality assets. The market and investors are increasingly recognizing Lincoln's TMT expertise, as illustrated by the successful number of YTD sell-side and buy-side transactions.

In the below perspective, Lincoln outlines several sub-sectors where our advisory professionals are seeing activity and our outlook for the rest of the year.

### B2B Software

The B2B Software sector continues to command a disproportionate share of the overall mergers and acquisitions (M&A) deal activity in Europe. Strategic buyers as well as financial investors are attracted by the underlying digitization trend, continuing shift to cloud / Software as a Service, increasing regulation-led compliance combined with a higher quality of the recurring revenues and unit economics driving premium sector valuations – reaching strong EBITDA and/or double-digit ARR multiples in many deals.

We continue to witness a strong appetite for software solutions across a broad range of sub-sectors including construction tech, enterprise resource planning, ESG / sustainability; government, risk and compliance; industrial software, marketing tech, office of the CFO and supply chain, which benefit from many of the themes outlined above.

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**CTAIMA**

has joined forces with

**e-coordina**

and secured an investment from

**Hg**

Sell-Side

**Advent International**  
GLOBAL PRIVATE EQUITY

has made an investment in

**SYSPRO**

Buy-Side

**KEENSIGHT** **CVC**  
CAPITAL

have made a joint investment in

**sogelink**

Buy-Side

**IntelliMagic**

has been sold to

**IBM**

Sell-Side

## IT Services

IT Services continues to attract new private equity (PE) investors. As PE-backed assets grow, we are seeing increasing interest from the larger funds in Europe, with more secondary and tertiary buy-out transactions taking place. In addition, trade buyer interest remains strong and overall buyer appetite has increased through 2024, compared to 2023. However, sellers need to be careful to avoid failed processes. Lincoln recommends deep data-driven preparation, with knowledge of the **key value drivers** and well-managed processes to achieve successful outcomes at premium valuations.

**T S G**  
TECHNOLOGY SERVICES GROUP

has been sold to

**PICTET**  
1805

Sell-Side  
Staple Financing

**Bridgepoint**

has made a strategic investment in

**kerv**

a portfolio company of

**LDC**

Buy-Side  
Acquisition Financing





**applexus**  
Innovate to transform

has acquired

**ABSOFIT**

Buy-Side

**CIKLUM**



a portfolio company of

**RECOGNIZE**

has acquired

**Infogen**  
LABS

Acquisition Financing

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## Data & Analytics

Data-driven decision-making is as important to investors as it is to companies. Data & Analytics businesses are seen as attractive investment opportunities because they integrate critical industry data and insights into professionals' workflows, allowing companies to make more informed decisions and gain a competitive edge. These businesses drive high-quality revenues, with strong recurring revenue streams and high

customer retention. They span all industries, from the legal sector to pharmaceutical research, supply chain management, commodities, etc. Data & Analytics also provide valuable insights into customer behavior, allowing companies to identify trends, patterns and areas for improvement. They enable organizations to manage their operations, meet reporting requirements and demonstrate their adherence to applicable regulations.

**ICG**  
has agreed to make  
an investment in

**Law  
Business  
Research**

from

**LEVINE  
LEICHTMAN  
CAPITAL PARTNERS**

Buy-Side

**Vespa Capital**

has sold

**ComLaude**

to

**P X 3**

Sell-Side

*Data & Analytics businesses are seen as attractive investment opportunities because they integrate critical industry data and insights into professionals' workflows, allowing companies to make more informed decisions and gain a competitive edge.*

## Debt Markets

Bank and debt fund appetite across B2B Software, IT Services and Data & Analytics remains robust, with strong appetite generated in our lender education processes for both [TSG](#) and [Com Laude](#), a successful re-financing for UK head-quartered digital transformation provider [Ciklum](#) led by Lincoln's U.S. and UK Capital Advisory Groups and highly attractive funding achieved for other transactions including [Law Business Research](#), [Eque2](#) and [kerv](#).

## What do the next 12 months have in store for the European TMT Sector?

With macro headwinds such as high inflation and high-interest rate environment subsiding, the continuing record level of dry powder amongst financial investors and the ongoing scarcity of high-quality assets coming to market, we believe buyers and investors will remain selective, favoring quality and premium assets where prices will remain high. We also expect them to look at creative solutions to secure these assets ahead of a formal process.

While a valuation gap exists between the seller's expectations and the buyer's appetite, this has narrowed significantly over the past 12 months. Combined with businesses continuing to focus on the "Rule of 40" and sustainable, profitable growth – this points to a positive M&A outlook.

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## Investing for Success

Lincoln TMT's Group has been built strategically over the last decade with **more than 125 TMT bankers globally**, including 40 across Europe. The sector is one of the key focus areas for Lincoln, and despite market volatility, we continue to invest in the European TMT platform, including the hiring of **Julian Moore** (leading Data & Analytics) and **Lalit Kasat** (focusing on B2B Software).

In addition, Managing Director arrivals in 2024 have included **Jonathan Graham** (Private Funds Advisory Group), **Simon von Witzleben** (transaction opinions within the Valuations & Opinions Group) as well as **Richard Parsons** and **Andreas Mentzer** (Financial Sponsors Group). With extensive M&A and capital advisory capabilities, combined with local coverage and first-class execution team presence in all the key European economies, Lincoln is well-positioned to provide strategic advice to our clients while bringing global connections and perspectives.

Connect with a Lincoln TMT expert to learn how we can partner to take your business to its next success: [www.lincolnternational.com/whoweserve/technology/](https://www.lincolnternational.com/whoweserve/technology/)

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