



Q1'21 Global TMT M&A Update

KPMG Corporate Finance Insights

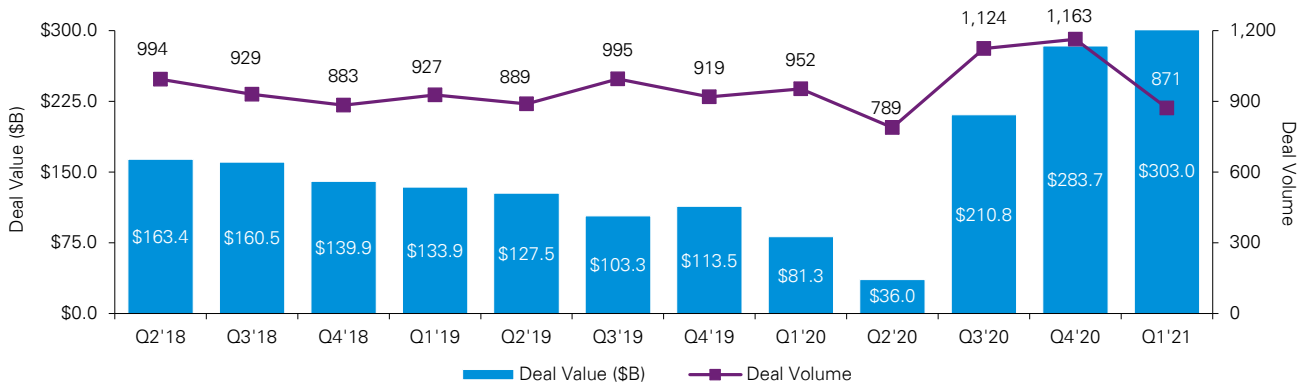


Global Quarterly TMT M&A Activity

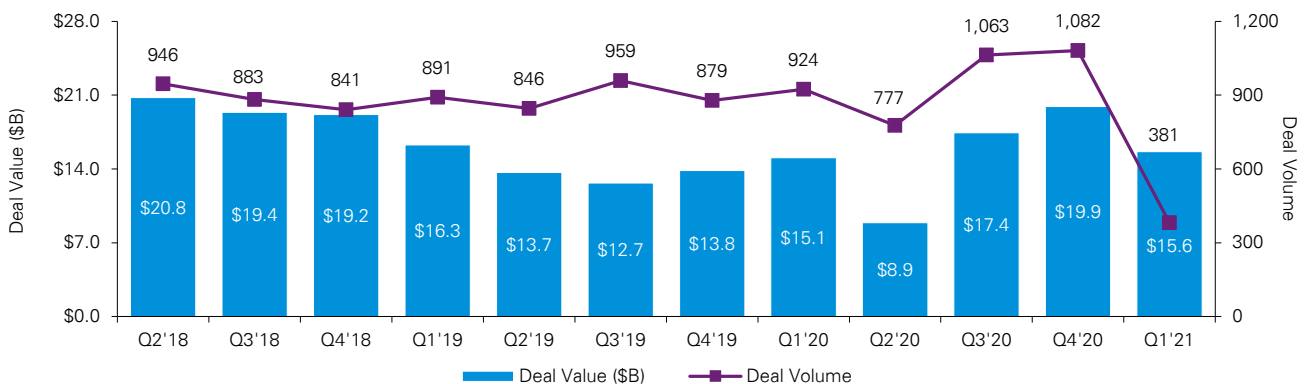
Aggregate Deal Value for Q1'2021 Breaches the Record \$300B Mark

- Catapulted by the unprecedented rebound in deal making, global tech M&A activity registered its highest aggregate deal value of \$303.0B with 871 deals announced in Q1'2021
- Soaring aggregate deal values continued to be propelled by a meteoric rise in \$1B+ transactions (84), as the quarter witnessed a ~65% increase in mega deals that accounted for more than 90% of total deal value
- The sustained rebound in tech M&A deal activity was further fueled by the emergence of a disruptive category of buyers, Special Purpose Acquisition Companies (SPACs), a hybrid (IPO + M&A) exit alternative that witnessed almost as much investment (\$~136.4B) as their legacy (PE & Strategic) counterparts with 51 deals
 - Thoma Bravo Advantage announced its acquisition of Ironsource, an Israel-based mobile application distribution software company, for \$11.1B; the largest tech SPAC deal to date
- As the distress levels in the leveraged loan market continue to subside, following a spike last year, financial buyers are making the most from receding risk and uncertainty levels by acquiring tech targets at a pace that puts them on track to match record deal making witnessed in 2020

Global Quarterly TMT M&A Activity: Q2'18—Q1'21



Global Quarterly TMT Mid-Market M&A Activity (≤\$500M): Q2'18—Q1'21

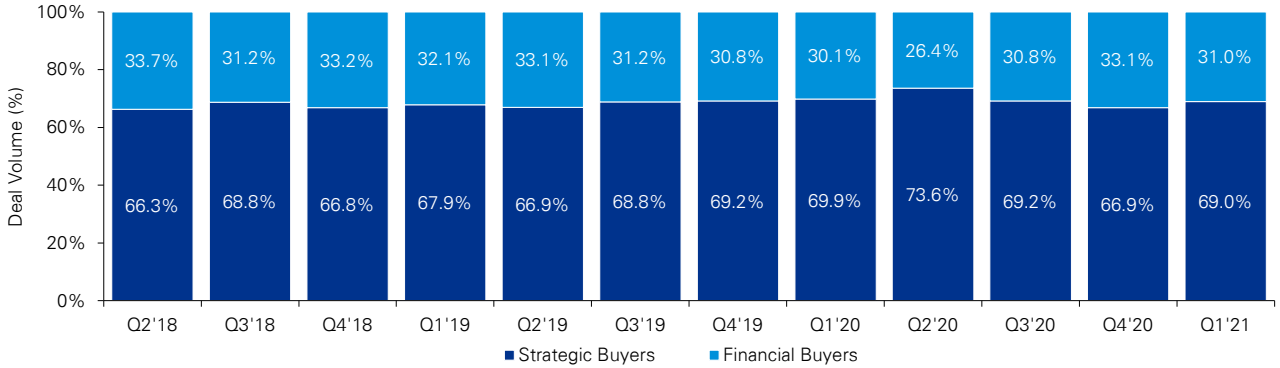


Sources: 451 Research (proprietary database accessed on March 31, 2021)

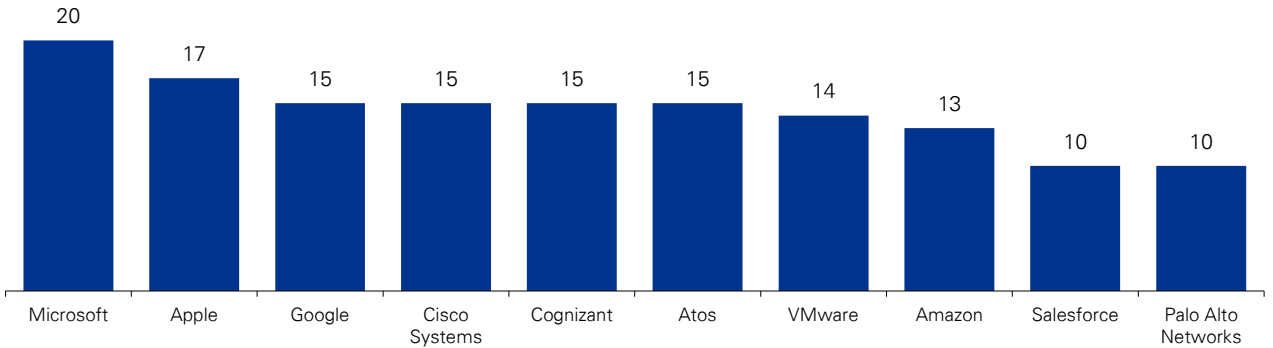


Most Active Buyers

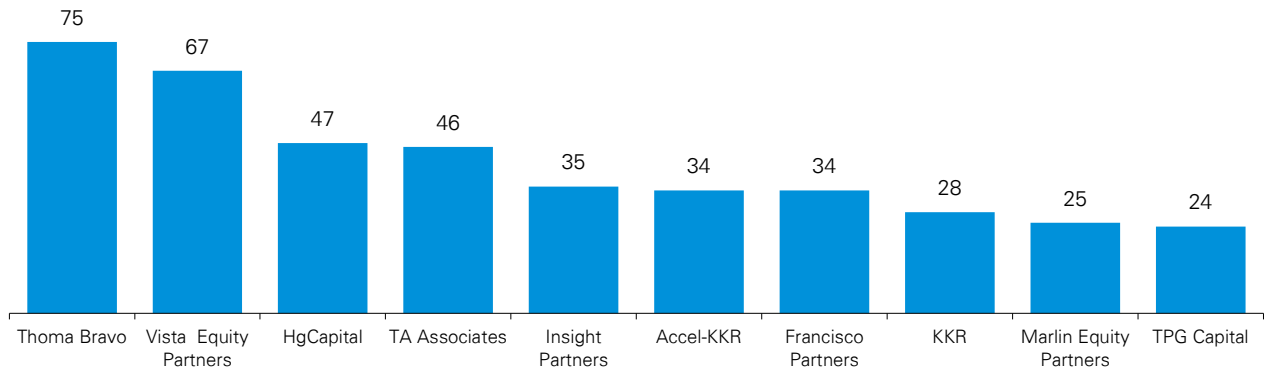
Global Quarterly TMT M&A Trend by Buyer Type: Q2'18—Q1'21



Top 10 Active Global TMT Strategic Buyers: Q2'19—Q1'21



Top 10 Active Global TMT Financial Buyers: Q2'19—Q1'21 ⁽¹⁾



Note: (1) PE deals include bolt-on acquisitions to existing portfolio companies and excludes co-investments
Sources: 451 Research (proprietary database accessed on March 31, 2021)

Notable TMT Transactions

KPMG Corporate Finance* TMT Landmark Transactions



Overview

- Founded in 1999, Digital Defense is a leading provider of vulnerability management and threat assessment SaaS
- Its flagship, multi-tenant, "Frontline" SaaS platform enables organizations to detect infrastructure security gaps, protect the most critical assets from attacks, and improves security posture through best-in-class solutions

About the engagement:

- KPMG Corporate Finance LLC ("KPMG Corporate Finance") acted as the exclusive investment banking advisor to Digital Defense on its sale to HelpSystems, a portfolio company of TA Associates and HGGC
- The team worked closely with Digital Defense's management team throughout the process, including providing advisory expertise and managing the marketing, negotiation, and due diligence phases of the transaction
- KPMG Corporate Finance leveraged its thorough understanding of the cybersecurity market to favorably position the company's unique solutions



Overview

- BigChange, established in 2013, is the leading mobile workforce management SaaS platform for the service and transport sectors in the UK
- The core field service management technology assists 1,500+ clients across 20 industries with job scheduling, customer invoicing, payments automation, mobile workforce management, and client engagement

About the engagement:

- KPMG Corporate Finance U.K. ("KPMG Corporate Finance") acted as the exclusive investment banking advisor to Big Change on its majority investment from Great Hill Partners
- KPMG Corporate Finance was awarded the deal mandate on an uncompetitive basis owing to its long-standing relationship with the Company since its inception
- The team worked closely with the management team and shareholders throughout the process, including providing advisory expertise and managing the marketing, negotiation, and due diligence phases of the transaction
- KPMG Corporate Finance ran a carefully crafted competitive process with key investors that helped achieve a final offer value over 70% above the initial offer

Other Notable TMT Transactions in Q1'21

Okta Acquires Auth0 for \$6.5B⁽¹⁾

- In Mar'21, U.S.-based Okta acquired U.S.-based Auth0 for **\$6.5 billion at 43.3x TTM revenue**
- Auth0 offers a platform to authenticate, authorize, and secure access for applications, devices, and users
- Okta, an identity and access management company, offers cloud software to manage and secure user authentication into applications
- The deal will strengthen Okta's position as the world's leading independent identity cloud and will accelerate its penetration into the \$55B identity market
- Post transaction Auth0 will run as an independent unit within Okta

"Combining Auth0's developer-centric identity solution with the Okta Identity Cloud will drive tremendous value for both current and future customers...Okta's and Auth0's shared vision for the identity market, rooted in customer success, will accelerate our innovation, opening up new ways for our customers to leverage identity to meet their business needs."

— Todd McKinnon, CEO & Co-Founder Okta

Citrix Acquires Wrike for \$2.25B⁽²⁾

- In Jan'21, U.S.-based Citrix acquired U.S.-based Wrike for **\$2.25 billion at 16.1x TTM revenue**
- Wrike offers SaaS collaborative work management solution that allows users to work within a single digital workspace
- Citrix, an enterprise software company, offers digital workspace and app delivery solutions
- The deal will combine Citrix's digital work platform and Wrike's work management solution, providing 400,000 customers complementary solutions to work efficiently and securely

"With the addition of Wrike's collaborative work management capabilities, which leading companies like Walmart, Fitbit, Siemens Smart Infrastructure, Chosen Foods, and many others rely on to foster more efficient and collaborative work execution, we can take things to the next level and enable people, teams, and organizations to perform at their best."

— David Henshall, President & CEO Citrix

* Represents the global Corporate Finance practices of KPMG International's network of independent member firms

Sources:

(1) Okta, "Okta Signs Definitive Agreement to Acquire Auth0 to Provide Customer Identity for the Internet", Press Release (March 3, 2021)

(2) Citrix "Citrix to Acquire Wrike, Delivering Modern Digital Workspace and Advancing Future of Work", Press Release (January 19, 2021)



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Notable Global TMT M&A Transactions in Q1'21 (1/2)

Announced Date	Target Name	Target Country	Acquirer Name	Deal Value (\$M)	EV/TTM Revenue	EV/TTM EBITDA
Communication Systems & Technology						
25-Mar-21*	Redwire [AE Industrial Partners]	U.S.	Genesis Park Acquisition Corp. (SPAC)	\$675.0	5.2x	–
8-Mar-21*	Airspan Networks	U.S.	New Beginnings Acquisition Corp. (SPAC)	\$896.0	4.7x	–
3-Mar-21 ⁽³⁾	UHP Networks	Canada	Comtech Telecommunications	\$38.0	–	–
26-Feb-21	Matrix Telematics	U.K.	Bridges Fund Management	\$82.7	–	15.0x
17-Feb-21	Inteliquent [GTCR]	U.S.	Sinch AB	\$1,140.0	2.1x	8.4x
15-Feb-21	Hargray Communications	U.S.	Cable One	\$1,870.0	–	17.2x
12-Feb-21	Xirgo Technologies [HKW]	U.S.	Sensata Technologies	\$400.0	–	–
29-Jan-21	StarBlue	U.S.	Sangoma Technologies	\$437.0	–	–
25-Jan-21*	Latch	U.S.	TS Innovation Acquisitions Corp. (SPAC)	\$1,558.0	6.3x	–
FinTech						
29-Mar-21	Itiviti AB	Sweden	Broadridge Financial Solutions	\$2,521.2	–	–
22-Mar-21	Calypso	U.S.	Thoma Bravo	\$3,750.0	–	37.5x
22-Feb-21*	Apex Clearing	U.S.	Northern Star Investment II (SPAC)	\$5,650.0	19.8x	NM ⁽¹⁾
12-Feb-21*	MoneyLion	U.S.	Fusion Acquisition Corp. (SPAC)	\$2,200.0	15.3x ⁽²⁾	–
10-Feb-21	NIC	U.S.	Tyler Technologies	\$2,276.9	4.9x	19.6x
4-Feb-21	Corelogic	U.S.	Stone Point Capital LLC / Insight Venture Management	\$7,795.6	4.2x	16.1x
21-Jan-21	Tastytrade	U.S.	IG Group	\$1,052.9	8.6x	18.5x
11-Jan-21	Cardtronics	U.S.	NCR	\$1,734.7	1.5x	–
Internet & Media						
29-Mar-21*	Cazoo	U.K.	AJAX I (SPAC)	\$7,000.0	31.8x	–
24-Mar-21	Gamesys Group	U.K.	Bally's Corporation	\$3,154.2	3.2x	11.6x
21-Mar-21*	ironSource	Israel	Thoma Bravo Advantage (SPAC)	\$11,074.0	31.1x	–
18-Mar-21*	Offerpad	U.S.	Supernova Partners Acquisition Company (SPAC)	\$3,003.0	2.2x	–
03-Mar-21	Talend	U.S.	Thoma Bravo	\$2,575.2	9.0x	–
01-Feb-21*	Nexters Global	U.S.	Kismet Acquisition One Corp. (SPAC)	\$2,050.0	6.0x	–
25-Jan-21*	Taboola Inc.	U.S.	ION Acquisition Corp. 1 (SPAC)	\$2,585.0	1.7x	–

Note: Includes representative M&A transactions for Q1'21; (*) Represents SPAC deals; (1) EV/Revenue and EV/EBITDA multiple less than 0x and more than 50x are considered not material (NM) for our analysis (2) Based on CY21E Revenue and CY21E EBITDA numbers; Sources: 451 Research (proprietary database accessed on March 31, 2021) (3) Closed Date

Notable Global TMT M&A Transactions in Q1'21 (2/2)

Announced Date	Target Name	Target Country	Acquirer Name	Deal Value (\$M)	EV / Revenue	EV / TTM EBITDA
IT Services & BPO						
31-Mar-21	GlobalLogic	U.S.	Hitachi	\$9,500.0	12.3x	NM ⁽¹⁾
4-Mar-21	Capco [Clayton Dubilier & Rice]	U.K.	Wipro	\$1,450.0	2.0x	–
22-Feb-21*	Cyxtera Technologies [BC Partners/Medina Capital]	U.S.	Starboard Value Acquisition (SPAC)	\$1,833.0	2.7x	9.9x
22-Feb-21	IntelSecure	U.S.	Proofpoint Inc	\$62.5	–	–
16-Feb-21	Aegion	U.S.	New Mountain Capital	\$795.8	0.7x	8.5x
2-Feb-21	Future State	U.S.	Accenture	\$45.0	2.3x	–
25-Jan-21*	Alight Solutions [The Blackstone Group]	U.S.	Foley Trasimene Acquisition (SPAC)	\$5,385.0	2.0x	9.8x
Software						
15-Mar-21*	IronNet Cybersecurity	U.S.	LGS Systems Acquisition Corp. (SPAC)	\$1,161.0	30.9x	–
8-Mar-21	McAfee (Enterprise business)	U.S.	Symphony Technology	\$4,000.0	3.0x	–
3-Mar-21	Auth0	U.S.	Okta	\$6,500.0	43.3x	–
2-Mar-21	Thycotic Software [Insight Venture Management]	U.S.	Centrify [TPG Capital / PSP Investments / Thoma Bravo]	\$1,400.0	15.6x	–
1-Mar-21*	QOMPLX	U.S.	Tailwind Acquisition (SPAC)	\$1,448.0	15.1x	–
8-Feb-21*	Matterport	U.S.	Gores Holding VI (SPAC)	\$2,915.0	33.9x	–
19-Jan-21	Wrike [Vista Equity Partners]	U.S.	Citrix Systems	\$2,250.0	16.1x	–
6-Jan-21	Change Healthcare	U.S.	OptumHealth [UnitedHealth Group]	\$7,869.5	4.8x	NM ⁽¹⁾
Semiconductors						
26-Mar-21	MagnaChip Semiconductor	South Korea	Wise Road Capital	\$1,400.0	2.2x	25.8x
19-Mar-21*	Rockley Photonics	U.S.	SC Health Corporation (SPAC)	\$1,215.0	NM ⁽¹⁾	NM ⁽¹⁾
12-Mar-21*	AEVA	U.S.	InterPrivate Acquisition (SPAC)	\$1,700.0	2.0x ⁽²⁾	5.2x ⁽²⁾
11-Mar-21*	Ouster	U.S.	Colonnade Acquisition (SPAC)	\$1,500.0	NM ⁽¹⁾	–
1-Mar-21 ⁽³⁾	Acacia Communications	U.S.	Cisco Systems	\$4,798.3	14.1x	NM ⁽¹⁾
17-Feb-21*	Aeye	U.S.	CF Finance Acquisition III (SPAC)	\$2,000.0	NM ⁽¹⁾	NM ⁽¹⁾
08-Feb-21	Dialog Semiconductor	U.K.	Renesas Electronics	\$5,597.4	4.2x	21.8x
13-Jan-21	Nuvia	U.S.	Qualcomm Technologies	\$1,400.0	–	–
07-Jan-21*	Achronix Semiconductor	U.S.	ACE Convergence Acquisition (SPAC)	\$1,700.0	16.2x	46.7x

Note: Includes representative M&A transactions for Q1'21; (*) Represents SPAC deals; (1) EV/Revenue and EV/EBITDA multiple less than 0x and more than 50x are considered not material (NM) for our analysis (2) Based on CY21E Revenue and CY21E EBITDA numbers; Sources: 451 Research (proprietary database accessed on March 31, 2021) (3) Closed Date

Global TMT Coverage Team

Global Coverage. Industry Knowledge. Middle-Market Focus.

The Corporate Finance practices of KPMG International's global organization of independent member firms (KPMG) have been ranked collectively as the number one global mid-market advisor based on total deal volume announced from 2016 to 2020, according to Refinitiv. KPMG firms operate in 80+ countries with over 2,500 CF professionals who are able to meet the needs of clients across the globe.

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