



Q3'21 Global TMT M&A Update

KPMG Corporate Finance Insights

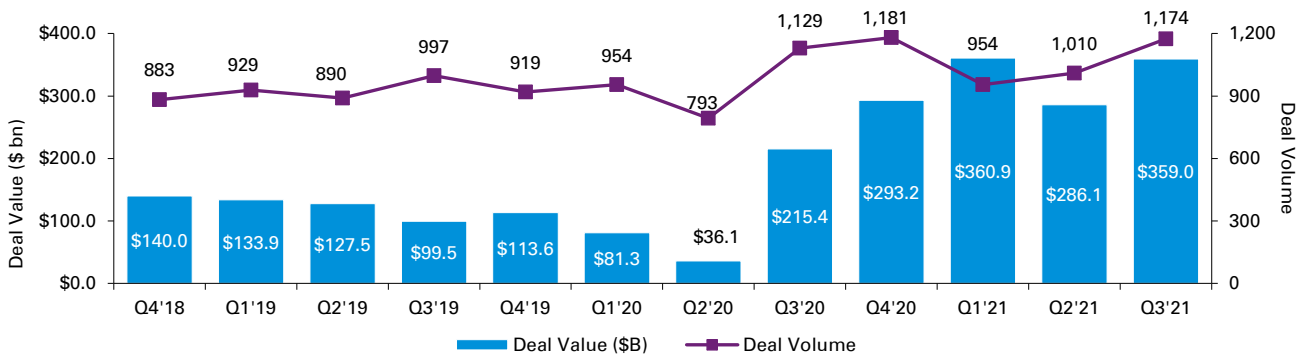


Global Quarterly TMT M&A Activity

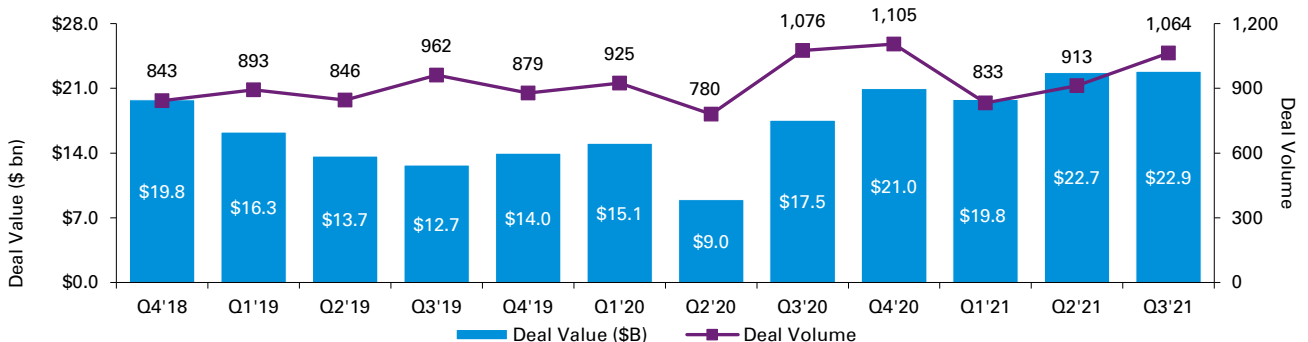
Unprecedented Trillion Dollar Deal Making

- Replicating the performance of Q1'21, Global tech M&A activity registered an aggregate deal value of \$359B with 1,174 deal announcements in Q3'21, making it the second-best quarter on record in terms of deal value
- Sustained growth in deal value was propelled by 33% Q-o-Q increase in total M&A spending by strategic buyers, which announced 777 deals with an aggregate deal value of \$304B
- Making most of the highly receptive loan market, financial buyers continued to put the record amount of capital to work and witnessed the best quarter till date, announcing a record 397 transactions (including add-on deals) collectively worth \$54.6B
- The largest deal for the quarter came from Jack Dorsey's fintech company, Square, which announced the \$29B acquisition of Afterpay, an Australia-based payment processing & installments payments SaaS company
- Catapulted by the unprecedented deal making through the first nine months, aggregate deal value surpassed the previously unfathomable trillion-dollar mark. The record deal making was fueled by
 - Largest spending by strategic buyers, with total strategic deal value for 9M'21 which already exceeded CY2020 spending by more than 66%
 - Highest number of \$1B+ transactions (~250), 2.2x times the 2020 annual numbers and 23% more than 2019 and 2020 numbers combined
 - Significant investments by financial buyers during the first three quarters, announcing deals worth an all-time high aggregate value of more than \$150B

Global Quarterly TMT M&A Activity: Q4'18 – Q3'21



Global Quarterly TMT Mid-Market M&A Activity (≤\$500M): Q4'18 – Q3'21



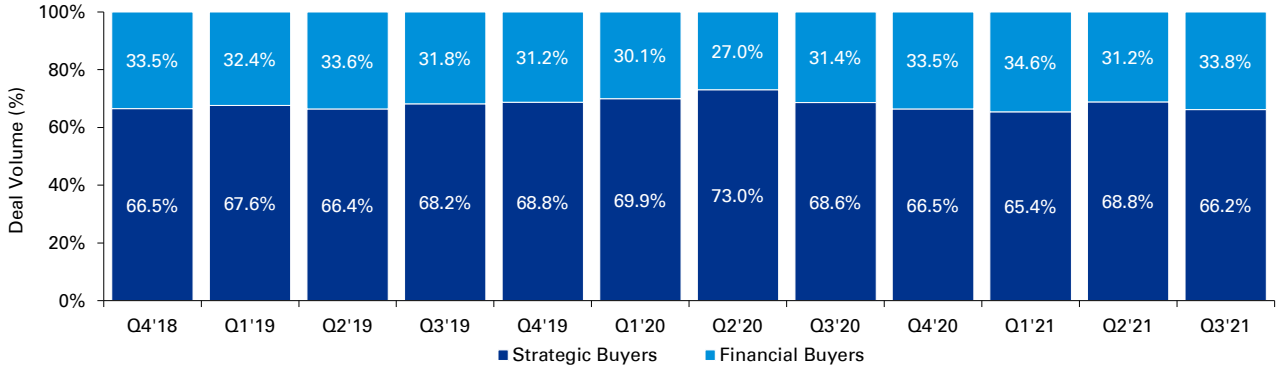
Sources: 451 Research (proprietary database accessed on September 30, 2021)



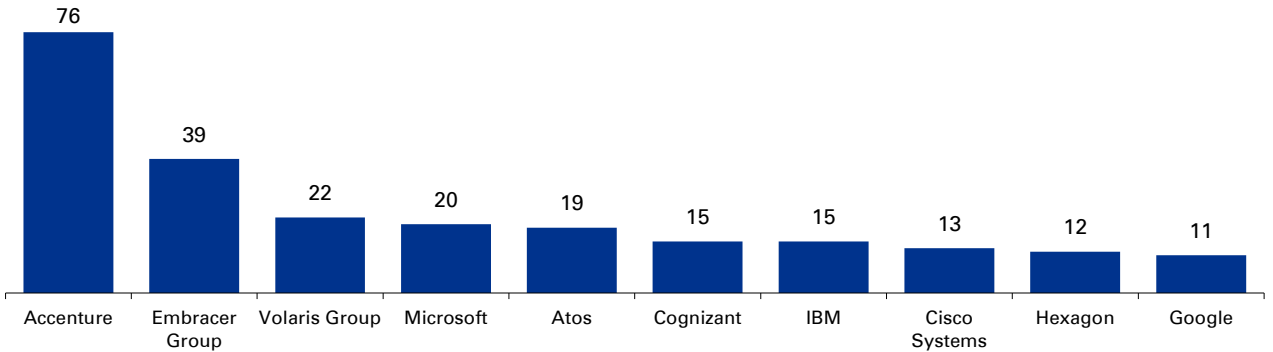
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Most Active Buyers

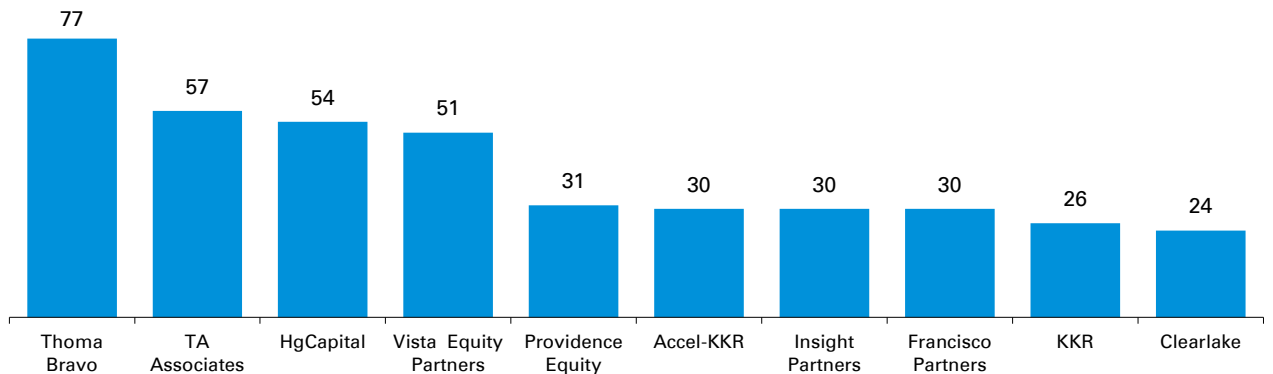
Global Quarterly TMT M&A Trend by Buyer Type: Q4'18 – Q3'21



Top 10 Active Global TMT Strategic Buyers: Q1'20 – Q3'21



Top 10 Active Global TMT Financial Buyers: Q1'20 – Q3'21 ⁽¹⁾



Note: (1) PE deals include bolt-on acquisitions to existing portfolio companies and excludes co-investments
Sources: 451 Research (proprietary database accessed on September 30, 2021)



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Notable TMT Transactions

KPMG Corporate Finance LLC TMT Landmark Transactions




BISTel
Semiconductor & flat panel display solutions business

has been acquired by



September 2021

Overview

- Founded in 2000, South Korea – based BISTel provides equipment engineering, process control, and analytics solutions for the fabrication of semiconductor chips and flat panel displays
- The company offers integrated and comprehensive yield management and prediction solutions to enhance manufacturing quality and efficiency

About the engagement:

- KPMG Corporate Finance LLC (“KPMG CF”) acted as the exclusive investment banking advisor to BISTel on sale of its semiconductor and flat panel display solution to Synopsys
- The team worked closely with BISTel’s management team throughout the process, including providing advisory expertise and managing the marketing, negotiation, and due diligence phases of the transaction
- KPMG CF leveraged its ability to handle complex divestitures, its global network, and thorough understanding of the semiconductor / flat panel display landscape and business models to favorably position the company’s differentiated solutions




X microwave

has been acquired by



a portfolio company of



August 2021

Overview

- X-Microwave is a leading provider of modular design platforms for RF and microwave system evaluation, prototyping, and production
- The Company’s platforms and tools provide an improved and scalable approach to RF and microwave design, enabling significant reduction of the traditional RF design timeline

About the engagement:

- KPMG Corporate Finance LLC (“KPMG CF”) acted as the exclusive investment banking advisor to X-Microwave Inc. on its sale to Quantic Electronics, a portfolio company of Arcline Investment Management
- The team worked closely with the management team and shareholders of X-Microwave throughout the process, including providing advisory expertise and managing the marketing, negotiation, and due diligence phases of the transaction
- KPMG CF leveraged its global network and thorough understanding of the microwave components space to favorably position the Company with its unique product value proposition

Other Notable TMT Transactions in Q3’21

Square Acquires Afterpay for \$29B⁽¹⁾

- In Aug’21, U.S.-based Square (NYSE: SQ) announced its plans to acquire Australia-based Afterpay (ASX: APT) for **\$29 billion**, in an all-stock deal
- Square plans to integrate Afterpay into its existing Seller and Cash App business unit
- Square provides POS devices & transaction processing software
- Afterpay offers payment processing & installments payments SaaS
- The deal will accelerate Square’s strategic priorities and enable Afterpay consumers to manage their installment payments and allow Cash App customers to discover merchants and BNPL offers

“Square and Afterpay have a shared purpose. We built our business to make the financial system more fair, accessible, and inclusive, and Afterpay has built a trusted brand aligned with those principles. Together, we can better connect our Cash App and Seller ecosystems to deliver even more compelling products and services for merchants and consumers, putting the power back in their hands.”

- Jack Dorsey, Co-Founder and CEO Square

Intuit Acquires Mailchimp for \$12B⁽²⁾

- In Sep’21, U.S.-based Intuit (Nasdaq: INTU) announced its plans to acquire U.S.-based Mailchimp for **\$12.0 billion**, the largest amount paid for a bootstrapped company to date
- Intuit offers accounting and tax preparation software and SaaS for consumers and businesses globally
- Mailchimp provides AI-driven customer engagement and marketing platform for growing small and mid-market businesses globally
- Acquisition of Mailchimp offers at scale global customer reach and allows Intuit to evolve into an AI-driven expert. Further, the deal is in line with its strategy to become center of small business growth and disrupt small business mid-market

“Expanding our platform to be at the center of small and midmarket business growth helps them overcome their most important financial challenges. Adding Mailchimp furthers our vision to provide an end-to-end customer growth platform to help our customers grow and run their businesses, putting the power of data in their hands to thrive”

- Sasan Goodarzi, CEO Intuit

Sources:

(1) Square [Press Release](#) (August 1, 2021)

(2) Intuit [Press Release](#) (Sep 13, 2021); [An inside look at Intuit’s Mailchimp acquisition](#) (Sep 16, 2021)



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Notable Global TMT M&A Transactions in Q3'21 (1/2)

Announced Date	Target Name	Target Country	Acquirer Name	Deal Value (\$M)	EV / TTM Revenue	EV / TTM EBITDA
Communication Systems & Technology						
6-Sep-21	VEON (Russian tower assets)	Russia	Service-Telecom Group	\$968.7	-	-
2-Sep-21	Hill-Rom	U.S.	Baxter International	\$10,500.0	4.6x	27.1x
16-Aug-21*	Syniverse Technologies	U.S.	M3-Brigade Acquisition II Corp.	\$2,968.0	4.4x	13.6x
5-Aug-21*	Cepton Technologies	U.S.	Growth Capital Acquisition Corp.	\$1,774.0	NM ⁽¹⁾	NM ⁽¹⁾
4-Aug-21	Altiostar Networks	U.S.	Rakuten Group	\$1,000.0	-	-
28-Jul-21	AKKA Technologies SE	Belgium	Adecco Group	\$1,764.1	1.3x	-
22-Jul-21	Veoneer Inc.	Sweden	Magna International	\$3,800.0	2.0x	-
FinTech						
14-Sep-21	Greensky	U.S.	Goldman Sachs	\$2,240.0	4.7x	21.7x
8-Sep-21	MineralTree	Japan	Global Payments	\$500.0	-	-
7-Sep-21	Paidy	U.S.	PayPal	\$2,727.0	-	-
31-Aug-21	Billdesk	India	PayU	\$4,700.0	-	-
5-Aug-21	Risk Management Solutions	U.S.	Moody's Corporation	\$1,985.4	5.9x	37.5x
4-Aug-21	Wester Union Business Solutions (WUBS)	U.S.	Goldfinch Partners	\$910.0	-	-
2-Aug-21	Sanne Group	U.K.	Apex Group	\$2,097.9	-	-
2-Aug-21	Real Capital Analytics	U.S.	MSCI	\$950.0	-	-
1-Aug-21	Afterpay	Australia	Square	\$29,000.0	42.7x	-
Internet & Media						
30-Sep-21	Mailgun Technologies	U.S.	Pegasus Corp One	\$1,892.2	-	-
21-Sep-21	Entain	U.K.	DraftKings	\$25,142.8	4.9x	32.8x
13-Sep-21*	Forge Global	U.S.	Motive Capital Corp.	\$1,601.0	12.4x	NM ⁽¹⁾
13-Sep-21	MailChimp (The Rocket Science Group)	U.S.	Intuit Inc	\$12,000.0	15.0x	-
9-Aug-21	Golden Nugget Online Gaming	U.S.	DraftKings	\$1,538.7	15.3x	38.2x
2-Aug-21	Singapore Press Holdings	Singapore	Keppel Pegasus	\$4,423.4	7.4x	32.3x
9-Jul-21	Stamps.com	U.S.	Thoma Bravo	\$6,600.0	8.3x	27.0x
6-Jul-21*	Nextdoor	U.S.	Khosla Ventures Acquisition Co. II	\$4,301.0	28.8x	NM ⁽¹⁾

Note: Includes representative M&A transactions for Q3'21; (*) 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; Sources: 451 Research (proprietary database accessed on September 30, 2021) and Capital IQ



Notable Global TMT M&A Transactions in Q3'21 (2/2)

Announced Date	Target Name	Target Country	Acquirer Name	Deal Value (\$M)	EV / TTM Revenue	EV / TTM EBITDA
IT Services & BPO						
10-Sep-21	Echo Global Logistics	U.S.	The Jordan Company	\$1,387.3	0.6x	20.4x
19-Aug-21	Inovalon Holdings	U.S.	Nordic Capital; Insight Partners	\$7,209.1	10.8x	38.6x
11-Aug-21	Iress Limited	Australia	EQT Partners	\$2,409.4	6.0x	26.1x
5-Aug-21	Risk Management Solutions	U.S.	Moody's	\$2,000.0	5.9x	37.8x
23-Jul-21*	Cvent, Inc.	U.S.	Dragoneer Growth Opportunities Corp. II	\$4,468.0	9.0x	34.5x
22-Jul-21	Transplace	U.S.	Uber Freight	\$2,250.0	-	17.3x
6-Jul-21	Infor (EAM business)	U.S.	Hexagon AB	\$2,750.0	14.9x	-
6-Jul-21	Sphera Solutions	U.S.	Blackstone	\$1,400.0	-	-
Software						
20-Sep-21	HVR Software	U.S.	Fivetran	\$700.0	20.0x	-
19-Aug-21	Inovalon	U.S.	22C Capital / Nordic Capital / Insight Partners	\$6,409.8	10.2x	26.6x
10-Aug-21	Avast Software	Czech	NortonLifeLock	\$8,100.0	9.3x	17.9x
5-Aug-21	Cornerstone OnDemand	U.S.	Clearlake Capital	\$3,838.4	6.3x	25.8x
26-Jul-21	Medallia	U.S.	Thoma Bravo	\$6,400.0	12.3x	NM ⁽¹⁾
21-Jul-21	Flashpoint	U.S.	Audax Private Equity	\$325.0	8.1x	-
19-Jul-21*	Fast Radius	U.S.	ECP Environmental Growth Opportunities Corp.	\$1,423.0	39.8x	NM ⁽¹⁾
19-Jul-21	IntSights Cyber Intelligence	U.S.	Rapid7	\$335.0	12.4x	-
15-Jul-21*	ServiceMax	U.S.	Pathfinder Acquisition Corp.	\$1,801.0	13.1x	NM ⁽¹⁾
1-Jul-21	Zerto	Israel	Hewlett Packard Enterprise	\$374.0	2.9x	-
Semiconductors⁽²⁾						
30-Aug-21	Dialog Semiconductor	U.K.	Renesas Electronics	\$5,597.4	4.2x	21.8x
26-Aug-21	Maxim Integrated Products	U.S.	Analog Devices	\$19,801.0	42.7x	-
16-Aug-21*	Aeye	U.S.	CF Finance Acquisition III	\$2,000.0	NM ⁽¹⁾	NM ⁽¹⁾
11-Aug-21*	Rockley Photonics	U.S.	SC Health Corporation	\$1,215.0	59.0x	NM ⁽¹⁾
05-Aug-21*	Cepton Technologies	U.S.	Growth Capital Acquisition Corp.	\$1,549.0	1.8x	4.6x
3-Aug-21	Innovium	U.S.	Marvell Technology	\$1,100.0	7.3x	-
15-Jul-21*	Aurora Innovation	U.S.	Reinvent Technology Partners Y	\$13,039.0	5.3x	-

Note: Includes representative M&A transactions for Q3'21; (*) 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; Sources; (2) Dates represent closing date; 451 Research (proprietary database accessed on September 30, 2021) and Capital IQ



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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