

TECHNOLOGY REPORT

FIRST QUARTER 2021

Technology M&A Report

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The Tech Sector, Especially SaaS, Continues To Be A Hot Market As The Shift To The Cloud Accelerates

As consumers change their behavior in response to COVID-19, the technology industry will see an increase in demand as company executives begin to prioritize technology and digital offerings

Economic Outlook

While the pandemic hurt the broader economy, **the technology sector has been less impacted**, as consumers and businesses have looked for technological advancements to support new ways of working and living

Tech dealmakers appear to have increasing levels of optimism, which could lead to record-breaking activity in 2021

COVID-19 has acted as a catalyst for trends we expected to see later in the future. As a result, **many companies are shifting to remote work for the longer term and need to pivot to SaaS-based solutions**

Undergoing a digital transformation is critical in today's hyperconnected world and acquiring software companies has become key to achieving that goal

Technology M&A Trends

M&A Deal Activity



2,123 transactions closed in 2020, which is down from 2,385 in 2019. We expect overall M&A activity in the Technology sector to increase steadily through 2021

Industry Activity



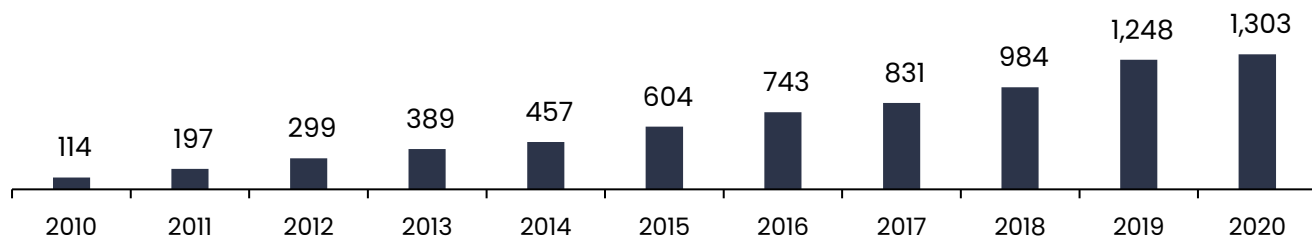
Deal value started 2020 with the lowest it has been since 2016, as companies reduced or eliminated many forms of spending in response to the pandemic

M&A Trends



After a few months of adjusting to the crisis, low interest rates – coupled with a potential vaccine in sight – caused M&A activity to increase dramatically in the second half of the year

SaaS M&A Deal Volume



Selected Public Comparables

(\$ in millions, except per share data)

Company Name	Country	3/23/2021	Equity	Enterprise	P/E	TEV/Revenue	TEV/EBITDA	TEV/EBIT
		Share Price	Value	Value	LTM	LTM	LTM	LTM
Adobe Inc.	United States	\$462.53	\$216,851.7	\$215,567.7	41.8x	16.75x	43.8x	50.9x
Alliance Data Systems Corporation	United States	\$106.44	\$5,492.8	\$21,019.5	17.9x	4.65x	28.4x	38.6x
DocuSign, Inc.	United States	\$206.98	\$39,672.4	\$39,814.7	NM	27.40x	NM	NM
Dropbox, Inc.	United States	\$27.67	\$11,330.1	\$11,328.3	NM	5.92x	28.4x	93.5x
Inovalon Holdings, Inc.	United States	\$27.60	\$4,318.1	\$5,228.5	189.9x	7.83x	26.1x	69.9x
Open Text Corporation	Canada	\$48.86	\$13,396.4	\$15,775.9	149.0x	4.78x	14.3x	22.8x
PayPal Holdings, Inc.	United States	\$244.49	\$286,217.8	\$282,903.8	69.0x	13.19x	63.4x	82.5x
Proofpoint, Inc.	United States	\$131.83	\$7,437.2	\$7,517.5	NM	7.16x	192.7x	NM
Qualys, Inc.	United States	\$106.35	\$4,139.6	\$3,742.5	47.1x	10.31x	25.6x	38.7x
Rackspace Technology, Inc.	United States	\$23.16	\$4,870.9	\$8,918.0	NM	3.29x	11.9x	50.6x

Total

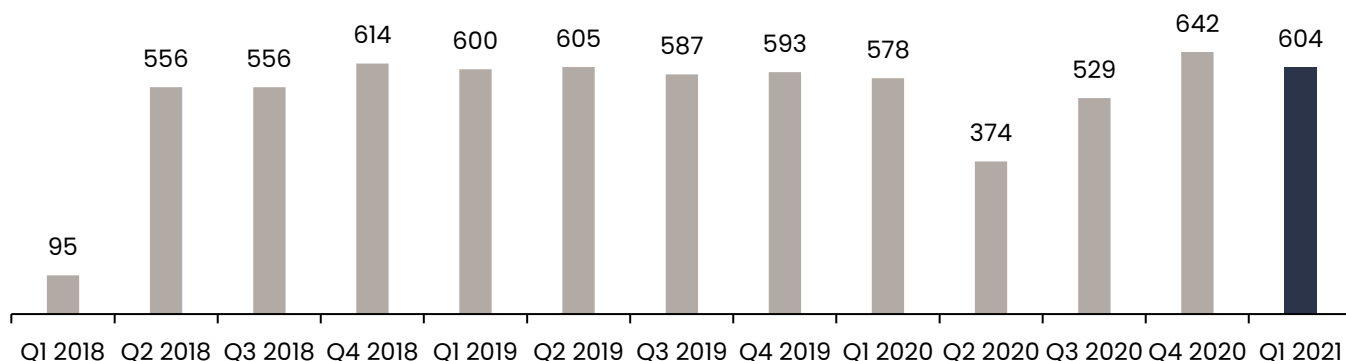
	P/E	TEV/Revenue	TEV/EBITDA	TEV/EBIT
High	189.9x	27.40x	192.7x	93.5x
Mean	85.8x	10.13x	48.3x	55.9x
Median	58.1x	7.50x	28.4x	50.7x
Low	17.9x	3.29x	11.9x	22.8x

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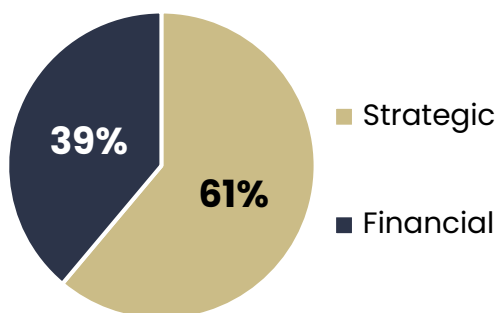
First Quarter 2021

Selected M&A Transaction Statistics

Deal Count by Quarter



Buyer Types



Notable Technology Transactions

Construction Software Technology



On February 24, 2021 private equity-backed (Bain Capital) Buildertrend announced that it acquired CoConstruct, a complementary construction software technology business.



"Buildertrend and CoConstruct have the largest combined capture of the residential construction project spending market." – Phil Meicler, Managing Director, Bain Capital Tech Opportunities

Financial Services Software



On March 3, 2021 MoneyLion Inc. announced that it acquired Wealth Technologies Inc., a pioneer in algorithmic financial planning technology.



MoneyLion

"Our acquisition of WTI adds significant new capabilities to MoneyLion by enhancing our suite of financial tools with precision-guided financial advice." – Dee Choubey, CEO & Co-Founder, MoneyLion

Recent Technology M&A Transactions

ANNOUNCED	TARGET	TARGET INDUSTRY	ACQUIROR	BUYER TYPE
03/12/2021	200 Markets LLC	Information Technology	Melon	Strategic
03/10/2021	Remix Software, Inc.	Industry Specific Software	Via Transportation Inc.	Strategic
03/09/2021	Qualtrax, Inc.	Application Software	Ideagen plc (AIM:IDEA)	Strategic
03/08/2021	Dealer-FX Group, Inc.	Application Software	Snap-on Incorporated (NYSE:SNA)	Strategic
03/05/2021	F.A.S.T. Friendly Automated Software Tool	Software and Services	Perimeter Technology Center, Inc.	Strategic
03/04/2021	Data Center in Chicago	Internet Services and Infrastructure	Landmark Dividend, LLC	Financial
03/04/2021	Exadel, Inc.	Enterprise Software	Sun Capital Partners, Inc.	Financial
03/03/2021	Wealth Technologies Inc.	Application Software	Moneylion, Inc.	Strategic
03/03/2021	Roofstock, Inc.	Software and Services	Jones Lang LaSalle Incorporated	Financial
03/03/2021	Stessa, Inc.	Application Software	Roofstock, Inc.	Strategic
03/03/2021	Stackfolio LLC	Software and Services	Jack Henry & Associates, Inc.	Financial
03/02/2021	PreEmptive Solutions, LLC	Security Software	IDERA, Inc.	Strategic
03/01/2021	Optiva Inc. (TSX:OPT)	Application Hosting Services	Maple Rock Capital Partners, Inc.;	Financial
02/24/2021	CoConstruct, LLC	Application Software	Serent Capital; BuilderTrend	Strategic
02/18/2021	Integrated Audio Systems, Inc.	Information Technology	Pearl Technology, LLC	Strategic
02/16/2021	CALCULEX, Inc./Argon Corp./FDS Avionics	Electronic Equipment and Instruments	Vance Street Management LLC	Financial
02/16/2021	NuSource Financial, Inc.	Technology Distributors	Mosaic Capital Partners, LLC	Financial
02/15/2021	getBridge LLC	Application Software	Learning Technologies Group plc	Strategic

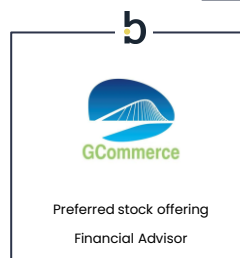
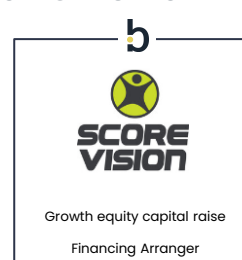
Technology M&A Report

First Quarter 2021

Sector-focused technology boutique investment bank focused on the middle market

- 274+ years cumulative investment banking experience spanning 216 transactions
- \$121+ billion of M&A, capital raising, corporate finance and transaction advisory service experience
- 96 completed M&A assignments spanning more than \$36 billion
- 120 completed corporate finance transactions, raising more than \$85 billion in capital

SELECTED RECENT TECHNOLOGY TRANSACTIONS



The list contained herein represents selected transactions completed by Bridgepoint principals while associated with Bridgepoint Investment Banking, as well as securities transactions on which they advised in their capacity as investment bankers registered with various broker-dealers.

SECTORS OF FOCUS



Technology



IT & Business Services



Industrials & Transportation



Consumer & Retail



Healthcare

274

YEARS OF EXPERIENCE

\$121B

IN TRANSACTIONS

216

TOTAL TRANSACTIONS

SENIOR LEADERSHIP



Matt Plooster
President & CEO



Nick Orr
Managing Director



Gary Grote
Managing Director



Mike Anderson
Managing Director



Bryan Wallace
Managing Director



Wm. Lee Merritt
MD & General Counsel



Chad Gardiner
Director



Joe Liss
Managing Director



Natasha Plooster
COO



Subhash Marineni
Vice President

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