

Clairfield industry snapshot Q3 2024

Software M&A

November 2024

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Software Sector Snapshot – Q3 2024

Software M&A

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Deal Volumes & EBITDA Multiples

- The number of Software M&A transactions in Q3-24 totalled **200**, a slight decrease on the **219** completed in Q2-24, with the total disclosed deal value in Q3-24 amounting to **£8.5bn**.
- The volume of strategic trade deals has remained fairly constant with 117 and 112 deals being completed in Q2-24 and Q3-24 respectively, showing the underlying strength of M&A in the Software sector.
- The Specialist Applications sub sector continues to be very active, accounting for **90** of the total transactions in Q3-24.
- Disclosed EBITDA multiples within the Software sector remain high across all sub sectors despite decreases in Financial Services and Specialist Applications.

Private Equity Transactions

- In Q3-24 the number of private equity deals reached **79** transactions, a decrease from Q2-24 which had **93** recorded deals.
- In one of the larger private equity deals, **Mainsail Partners** acquired a majority stake in digital communications archiving, supervision and surveillance software provider **MirrorWeb** for £48.5m. The investment will drive product development and expand customer success efforts, aiding financial services firms in meeting regulatory requirements.

Market Outlook

- Despite a fast start to 2024, the number of Private Equity transactions have decreased as these institutions continue to focus on the best performing assets, with a greater weight attributed to profitability than the less risk averse strategic trade buyers.
- In contrast, the volume of strategic trade acquisitions has remained strong throughout 2024, and we expect volumes to increase as serial acquirers in the market return to their high acquisition volumes.
- The return of normalised valuation expectations after the post-Covid peak is expected to increase transaction volume going forwards.

Q3-24 At A Glance



200
No. of Deals



£8.5bn
Total Disclosed
Deal Value



40%
Involved a PE
Buyer



Data Storage & Security
Highest Average
EV/EBITDA
Multiple

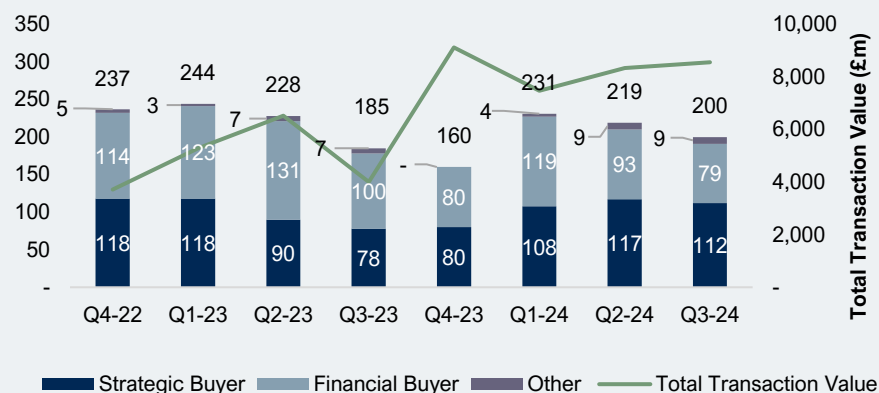


Specialist Applications
Highest Volume
Sub Sector

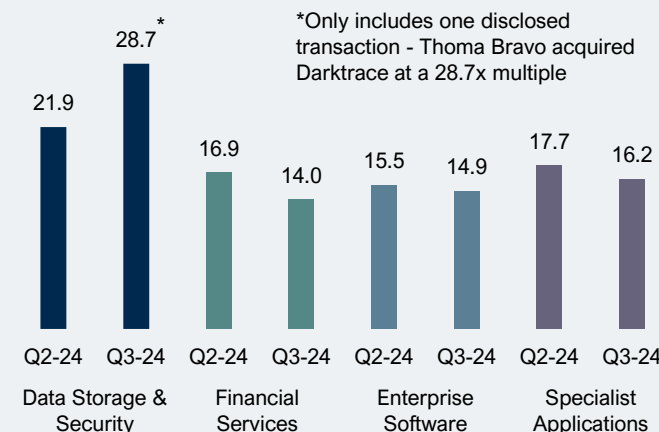


Specialist Applications
Highest Growth
Sub Sector Vs
Q2 2024

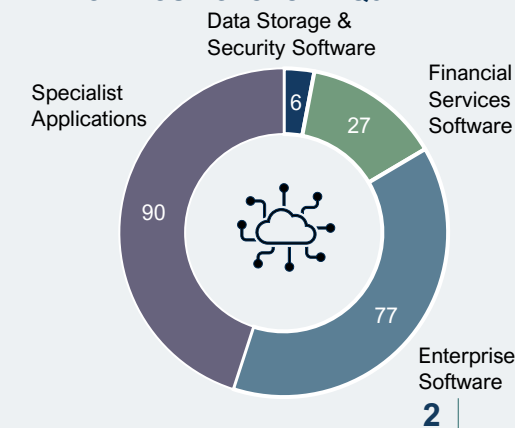
M&A VOLUMES BY TYPE



TRAILING AVERAGE LTM EV/EBITDA MULTIPLES



DEALS BY SUB SECTOR – Q3-24



Key Transactions

Strategic Trade & Private Equity Transactions

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Key Trade and Private Equity Transactions

Visa have acquired Featurespace, a UK based leader in technology to prevent financial crime

- Visa, a global leader in digital payments, has acquired Featurespace, a UK-based AI technology company specialising in fraud prevention. This acquisition will enable Visa to strengthen its fraud detection capabilities and expand its solutions for real-time payments protection across global markets, benefiting financial institutions and consumers alike.

Infinite Reality has acquired the UK based virtual world platform company Landvault for £347m

- Infinite Reality, a US-based leader in digital media and immersive technology, has acquired Landvault, a UAE-focused virtual world platform. This acquisition will allow Infinite Reality to bolster its AI-driven capabilities and enhance its presence in the MENA region, offering next-generation digital media and e-commerce solutions for enterprise clients.

Lloyds Register Group acquired Ocean Technologies Group, a provider of Human Capital Management Software

- Lloyd's Register Group (LR) has agreed to acquire Ocean Technologies Group (OTG), a leader in maritime human capital management and operational software, from Oakley Capital. This acquisition enables LR to integrate OTG's training and compliance solutions across its fleet of c.30,000 vessels, enhancing its digital offerings in the maritime industry.

Astorg has acquired a stake in a UK based insurance software company Acturis Group

- Astorg has acquired a stake in Acturis Group, a premier SaaS provider serving brokers, insurers, and MGAs in the general insurance sector. This partnership will facilitate Acturis' growth initiatives and strengthen its innovative solutions across various divisions.

EQT has acquired a majority stake in AMCS, a UK based sustainability software business

- EQT Private Equity has acquired a majority stake in AMCS, a leader in sustainability software for foundational industries based in Ireland. This investment will enable AMCS to accelerate its growth, enhance its sustainability solutions, and expand its global presence in resource-intensive sectors such as waste management and recycling.

Advent International has acquired a majority stake in SYSPRO, a UK based software provider

- Advent International has acquired a majority ownership stake in SYSPRO, a global leader in ERP software for manufacturing and distribution industries. This investment will enable SYSPRO to accelerate its growth and enhance product innovation, particularly in key markets including the USA and UK.

Financial Services Software 

VISA

Have acquired

FEATURESPACE

Specialist Applications 

INFINITE REALITY

Have acquired

Landvault

Specialist Applications 

LR

Have acquired

OCEAN
Technologies Group

Specialist Applications 

TGI SPORT

Have acquired

SUPPONOR

Specialist Applications 

Benefex
A Zellis Company

Have acquired

benify

Specialist Applications 

centrica

Have acquired

ENSEK

Enterprise Software 

astorg.

Have acquired a stake in

acturis
CONNECTED THINKING

Specialist Applications 

IEQT

Have acquired

AMCS

Enterprise Software 

Advent International
GLOBAL PRIVATE EQUITY

Have acquired a majority stake in

SYSPRO
Simplifying your Success

Enterprise Software 

K1 INVESTMENT MANAGEMENT

Have acquired a stake in

BOARD INTELLIGENCE

Specialist Applications 

GENERAL ATLANTIC

Have acquired a stake in

Flo

Financial Services Software 

Mainsail Partners


Have acquired a stake in

MirrorWeb

Clairfield In The Sector

Clairfield advised the shareholders of Theorem Solutions Limited on its sale to Tech Soft 3D

- Theorem, founded over 30 years ago, provides a suite of CAD translation and Extended Reality Software Solutions, including 3D Visualisation and Digital Twin, for the engineering metaverse.
- Tech Soft 3D is a leading provider of engineering software development toolkits with offices in Japan, USA, England, France and Norway. This acquisition cements Tech Soft 3D as a leading provider of CAD Data Translation and Re-use for both application developers and end-users.

Engineering Software 

THEOREM SOLUTIONS

was sold to

TECH SOFT 3D

“

The Clairfield Team provided invaluable advice and supported us at every stage of the sale process. Their deep understanding of the software sector helped us achieve a fantastic result





Mark Stowe, CEO of Theorem





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Listed Valuation Multiples





Listed valuation multiples in the Software sector

EBITDA multiples are performing strongly across the Enterprise Software sub sector with EV/EBITDA multiples ranging from 10.9x to 20.1x

Data Storage & Security Software		
Company	EV/EBITDA Multiple	EV/Rev Multiple
 cirata	n/a	6x
 corero	n/a	5.9x
 DARKTRACE	n/a	n/a
 intercede	n/a	8.2x

Financial Services Software		
Company	EV/EBITDA Multiple	EV/Rev Multiple
 aquis	11.5x	5.3x
 arcon	7.6x	2.9x
 PayPoint	7.7x	1.9x
 network	6.7x	6.1x

Enterprise Software		
Company	EV/EBITDA Multiple	EV/Rev Multiple
 Aptitude	16.3x	2.4x
 Eckoh	10.9x	3x
 Microlise	13.7x	1.8x
 RELX	20.1x	7.9x

Specialist Applications		
Company	EV/EBITDA Multiple	EV/Rev Multiple
 acceso	9.7x	1.7x
 Diaceutics	n/a	4.1x
 eagleeye	11.3x	2.7x
 TRACSIS	9.3x	1.8x

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Strategic Advisory

Capital solutions

Headquartered in Europe with locations in every major region worldwide, we offer access to corporate businesses, investors, and key decision makers, combined with thorough understanding of local regulations and cultures.

400+

Team members

32

Countries

80%

International mandates

140+

Transactions per year

Top 10

European Midmarket rankings



Recent Clairfield Software Transactions

Software & apps



was sold to



Software & apps



was sold to



Software & apps

technologyone

acquired



Software & apps



was sold to



Software & apps



acquired



Software & apps



acquired



Software & apps



was sold to



Software & apps



acquired



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