

Nordic Application Software Benchmark Report - Q4 2020

A review of key company valuation metrics in the Nordic, UK, European and US Application Software sectors from 2015 to Q4 2020



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A dark, stylized background on the left side of the slide featuring a financial chart with a line graph and a bar chart. The line graph shows a peak and then a decline, with a label '+11,00.00' near the peak. The bar chart shows various bars of different heights. The overall aesthetic is modern and professional, typical of a corporate financial report.

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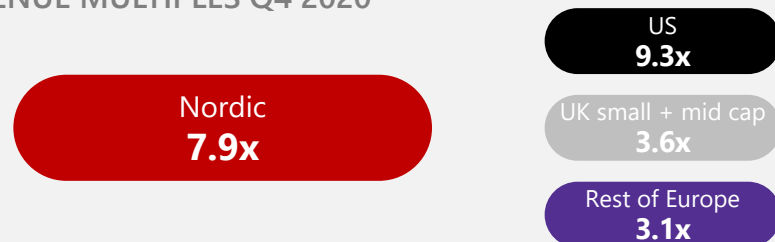
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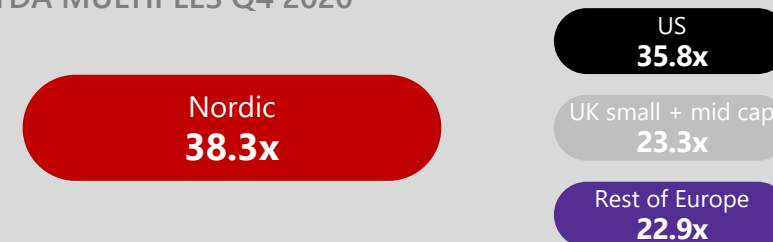
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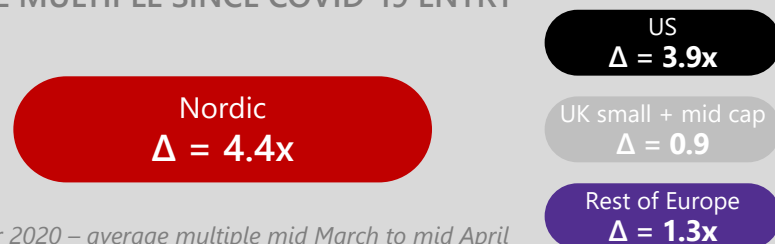
MEDIAN EV/REVENUE MULTIPLES Q4 2020



MEDIAN EV/EBITDA MULTIPLES Q4 2020

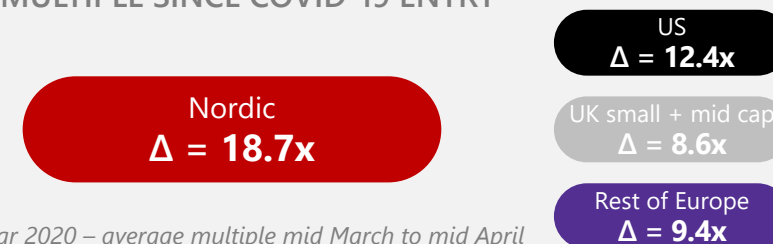


Δ IN EV/REVENUE MULTIPLE SINCE COVID-19 ENTRY



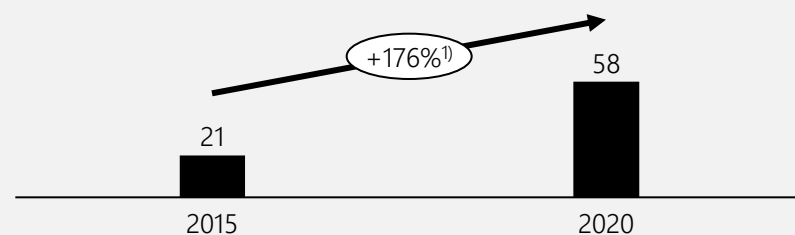
Δ = multiple end of year 2020 – average multiple mid March to mid April

Δ IN EV/EBITDA MULTIPLE SINCE COVID-19 ENTRY



Δ = multiple end of year 2020 – average multiple mid March to mid April

OF PUBLICLY LISTED NORDIC APPLICATION SOFTWARE COMPANIES



1) Net growth in number of listings in our data set

Source: Capital IQ, Silverpeak, Impello



Key findings - Q4 2020 analysis

Pricing development (revenue and EBITDA):

- While revenue multiples still are highest in the US, rapid Nordic growth in 2020 is closing the historical pricing gap while UK and Rest of Europe show significantly lower revenue multiples
- Nordic EBITDA multiples closed the historical US pricing gap in Q4 2020 – we also see a similar gap to UK and Rest of Europe companies

Covid-19 impact on price multiples:

- While all markets see a marked pricing decrease post Covid-19, Nordic revenue multiples show the smallest dip and most rapid recovery. Nordic revenue multiples has also grown much stronger during 2nd half of 2020
- Looking at EBITDA multiples, Nordic multiples still show the fastest recovery and strongest growth, but also the largest dip alongside with Rest of Europe

Development in public listings:

- The number of Nordic publicly listed application software companies in our dataset has more than doubled since 2015 – after a slow 2019 the annual listings growth is back at historical pace in 2020

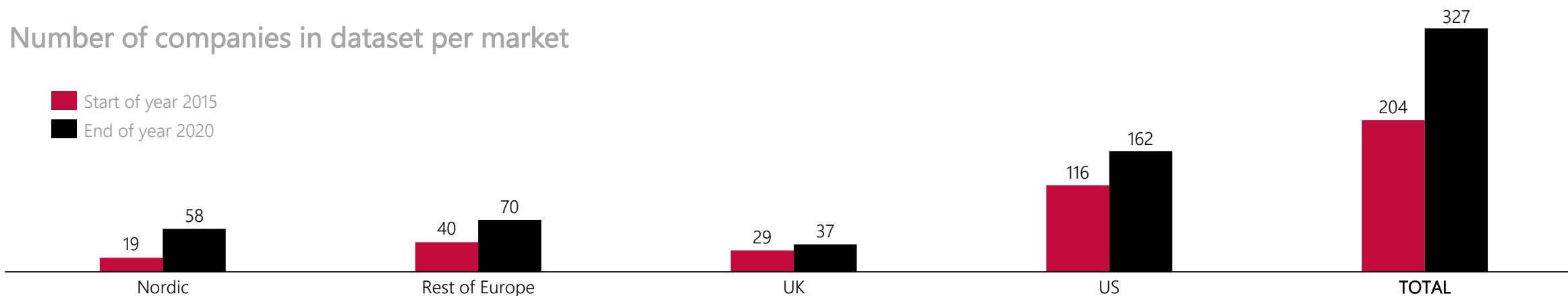
Source: Capital IQ, Silverpeak, Impello

Introduction and overview of data

Data

- The dataset consist of 327 Nordic, UK, European and US publicly listed application software companies (327 end-of-year 2020 and 204 start-of-year 2015)
- All companies are listed on a regulated marketplace. E.g. in Norway, these markets are Euronext Oslo, Euronext Growth and Euronext Expand Oslo
- We use 1-month rolling average median revenue and EBITDA multiples in all analyses

Number of companies in dataset per market



Source: Capital IQ, Silverpeak, Impello

Note: Eight of the Nordic companies are Norwegian



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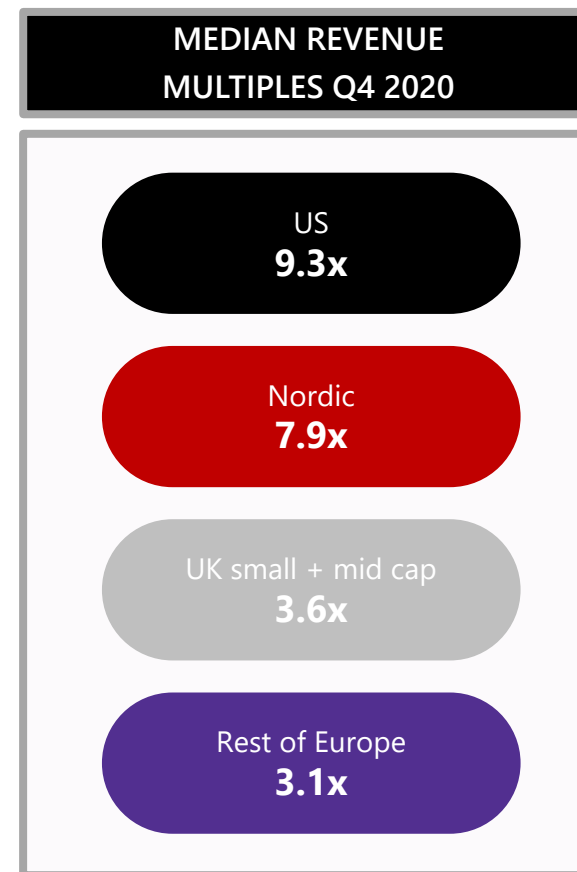
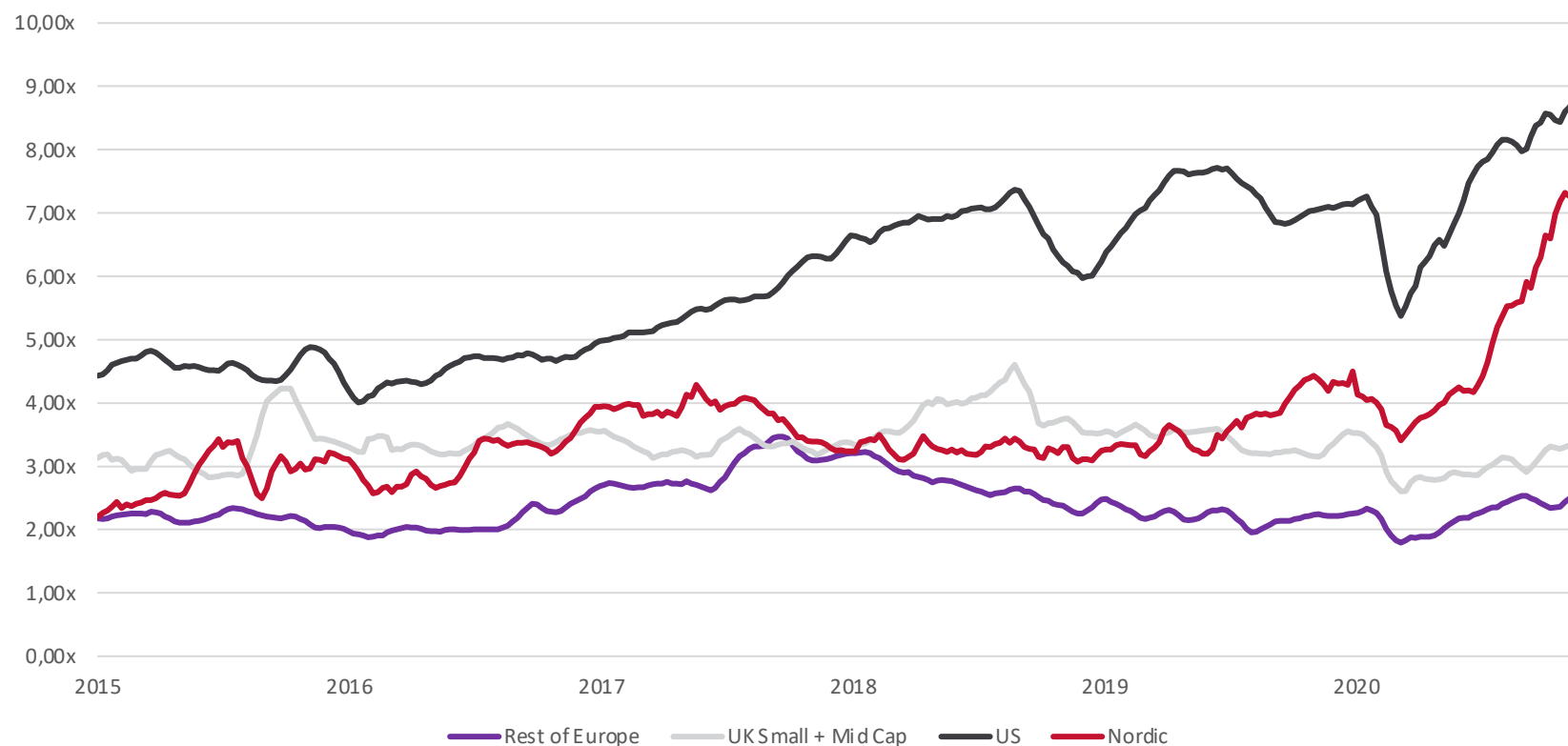
Covid-19 impact on price multiples

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Development in Nordic public listings

While revenue multiples still are highest in the US, rapid Nordic growth in 2020 is closing the historical pricing gap – UK and Rest of Europe show significant lower multiples

Development in median EV/revenue multiples per market, 2015 – 2020

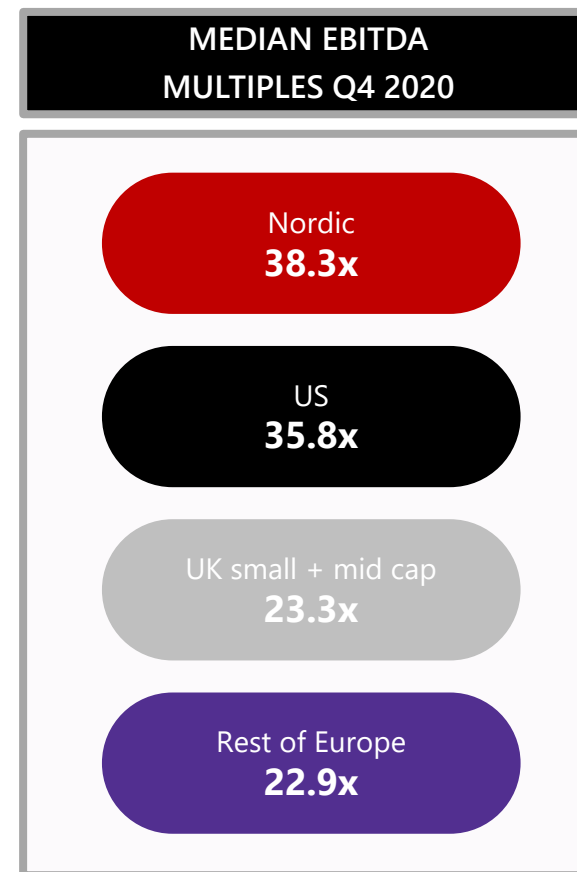
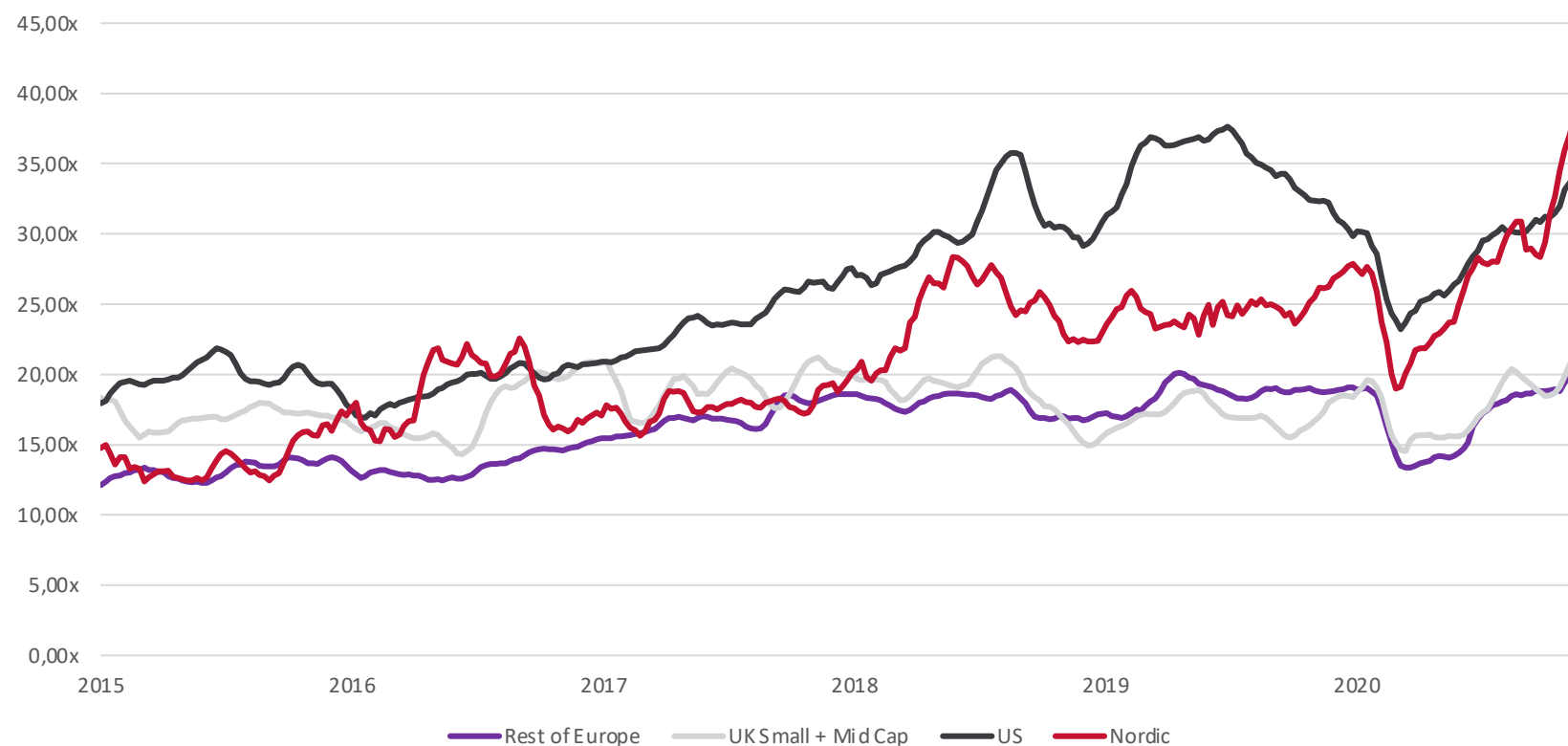


Source: Capital IQ, Silverpeak, Impello

Note: Q4 2020 multiples are taken at 31/12/20, LTM

Nordic EBITDA multiples closed the historical US pricing gap in Q4 2020 – we also see a similar gap to UK and Rest of Europe companies

Development in median EV/EBITDA multiples per market, 2015 – 2020



Source: Capital IQ, Silverpeak, Impello

Note: Q4 2020 multiples are taken at 31/12/20, LTM

A dark, semi-transparent background on the left side of the slide featuring a complex financial chart. The chart includes a line graph with a peak and a subsequent decline, overlaid with a bar chart. Numerical values like '+11,00.00' and '10' are visible on the chart. The overall aesthetic is technical and data-driven.

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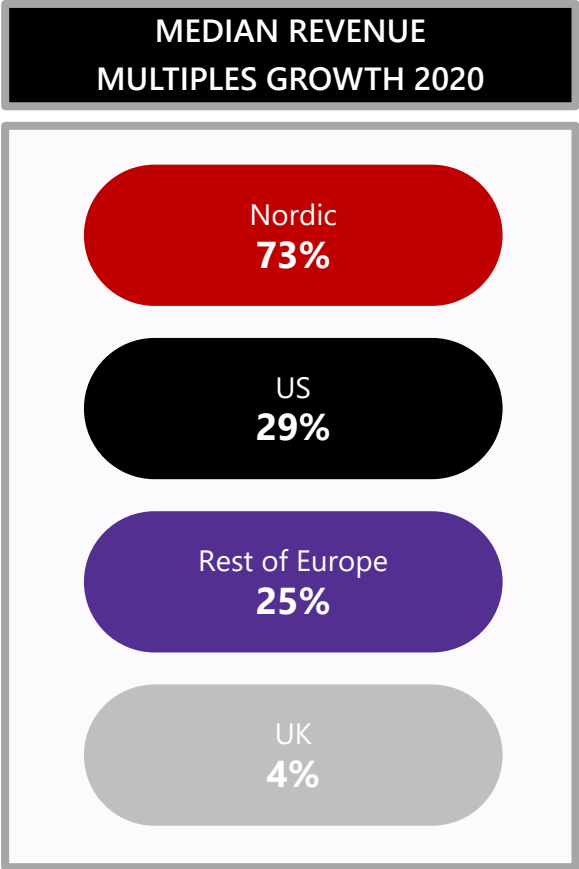
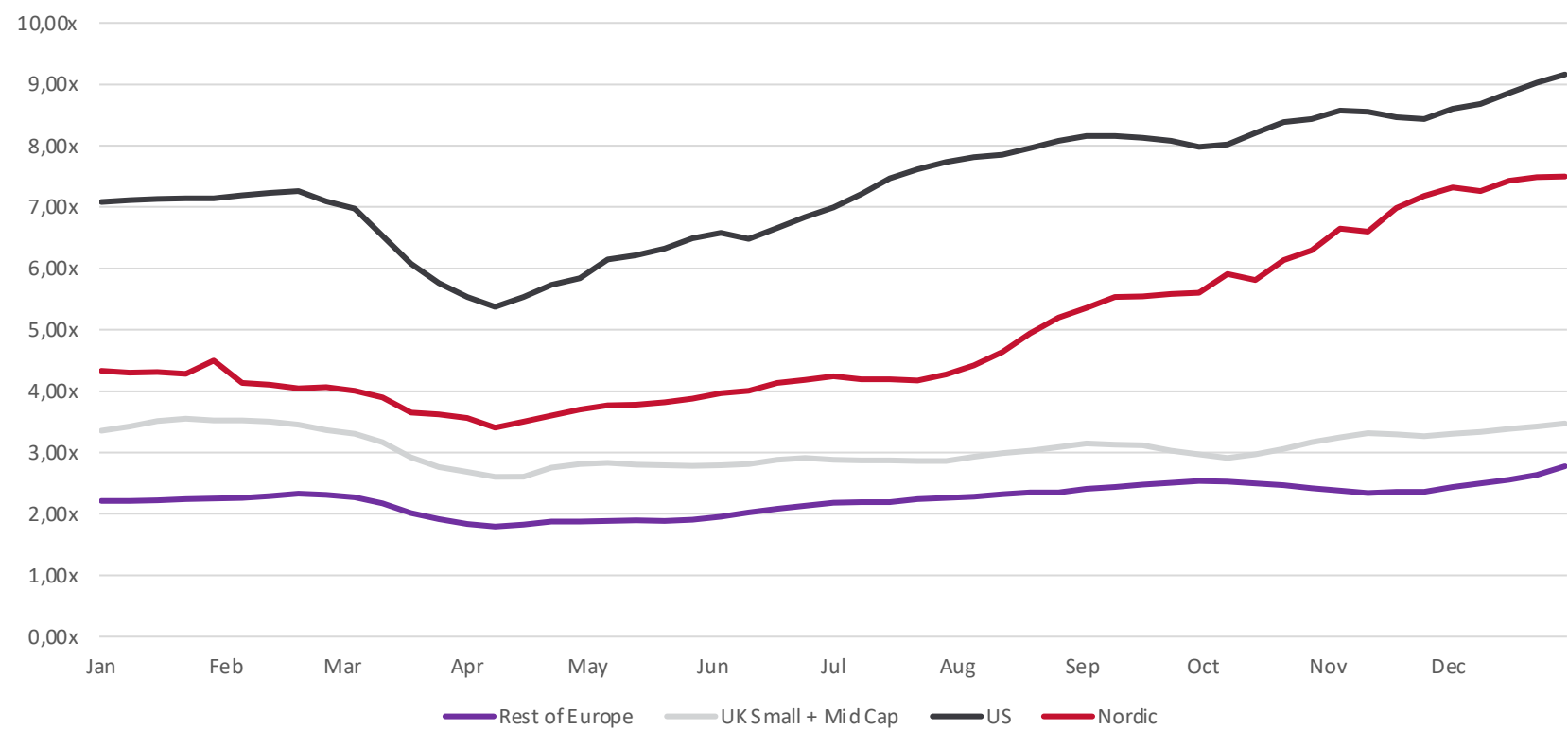
Covid-19 impact on price multiples

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Development in Nordic public listings

While all markets see a pricing decrease post Covid-19, Nordic revenue multiples show the smallest dip, most rapid recovery and strongest growth in 2nd half of 2020

Development in median EV/revenue multiples per month, 2020

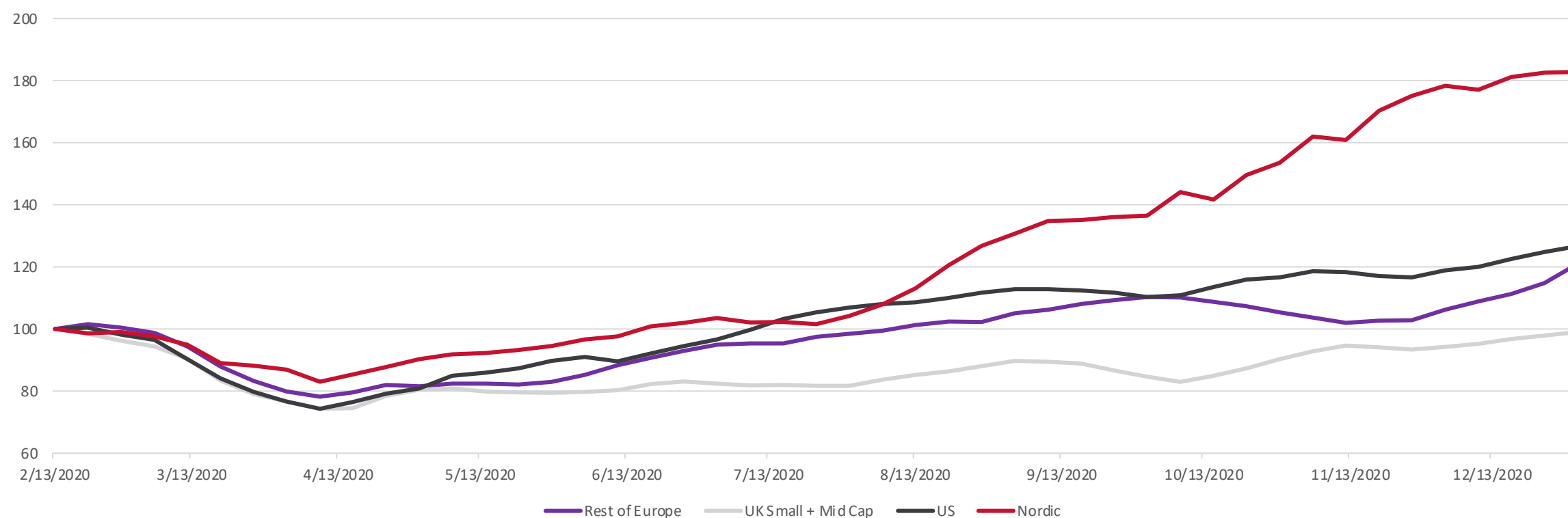


Source: Capital IQ, Silverpeak, Impello

Note: Growth from 02/01/20 to 31/12/20

These findings are better illustrated by indexing the multiples to show each market's relative 2020 development – Nordic revenue multiples show the smallest dip and fastest recovery

Development in indexed median EV/revenue multiples per month, 2020

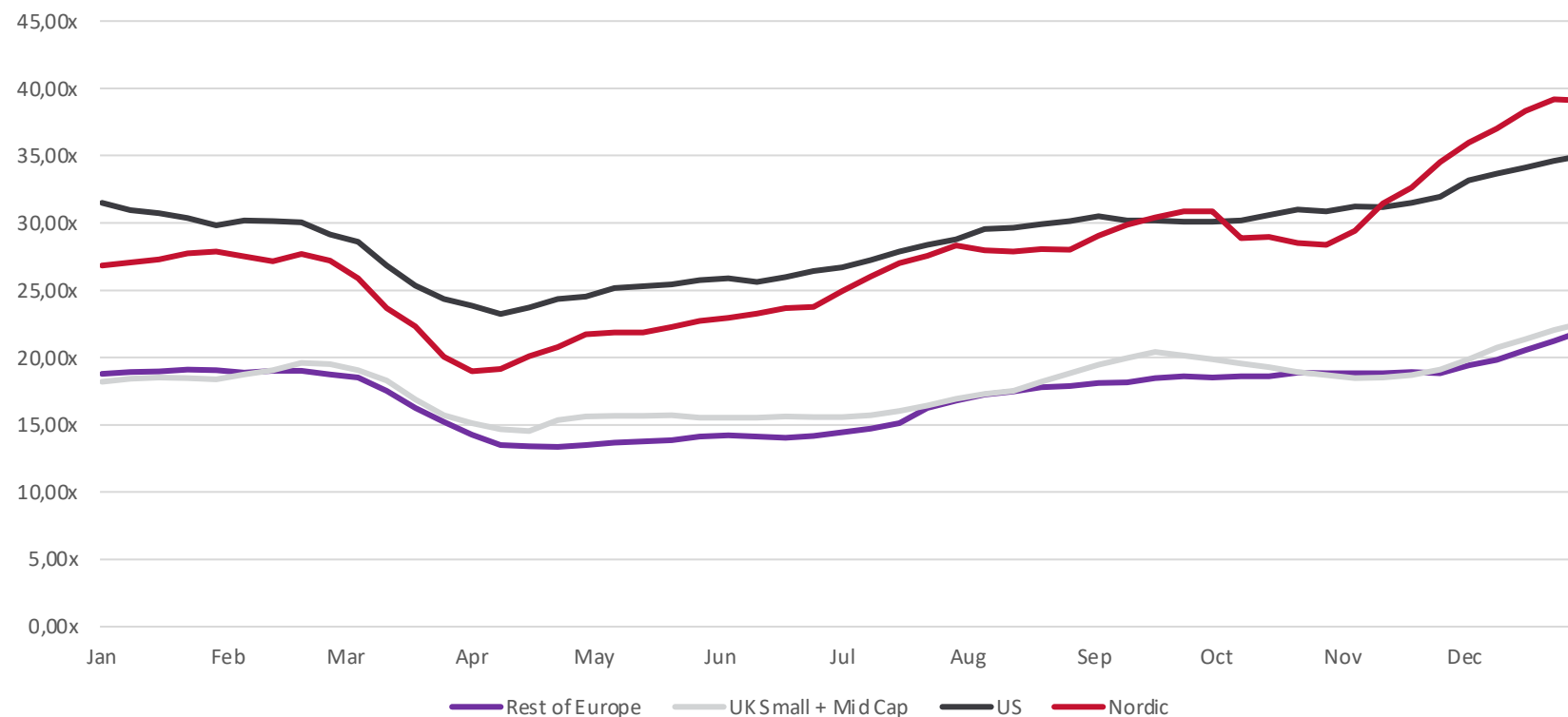


Source: Capital IQ, Silverpeak, Impello

Note: Multiples are indexed to a starting point of 100 – the graph thus shows each market's relative multiple development

The picture is approximately the same when looking at EBITDA-multiples, with all markets showing a pricing decrease and Nordics the most rapid pricing recovery...

Development in median EV/EBITDA multiples per month, 2020



MEDIAN EBITDA MULTIPLES GROWTH 2020

Nordic
46%

UK small + mid cap
24%

Rest of Europe
17%

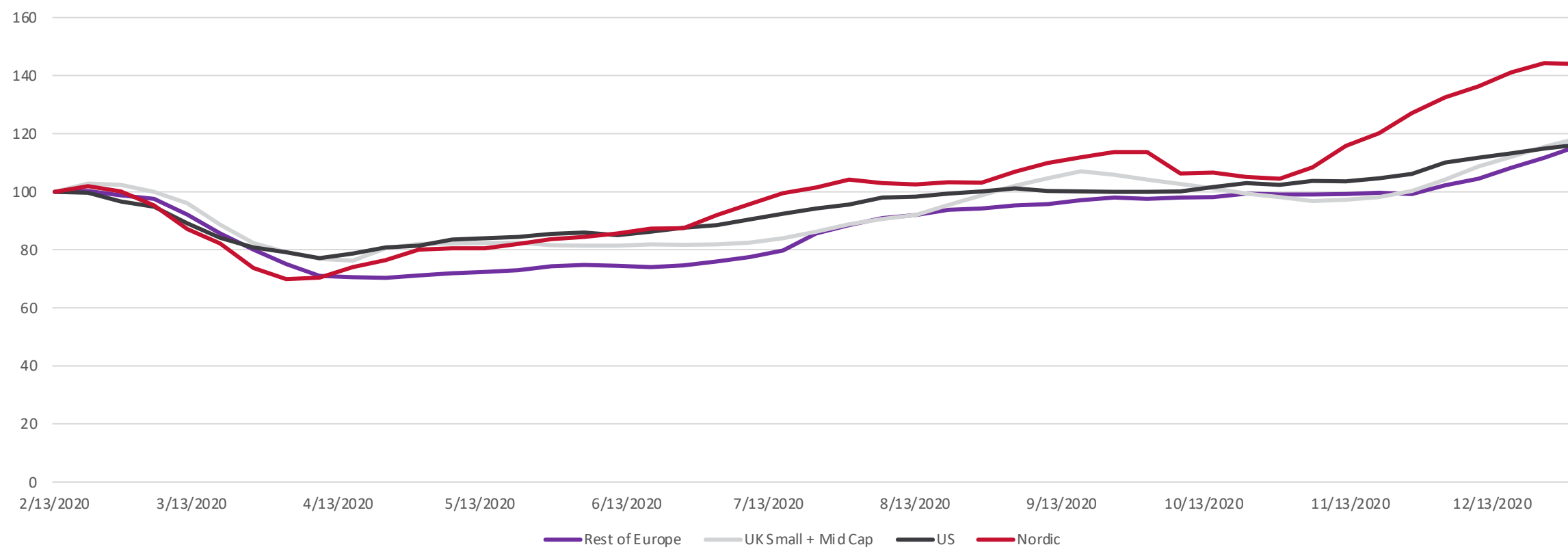
US
11%

Source: Capital IQ, Silverpeak, Impello

Note: Growth from 02/01/20 to 31/12/20

...but also the largest dip alongside with Rest of Europe

Development in indexed median EV/EBITDA multiples per month, 2020



Source: Capital IQ, Silverpeak, Impello

Note: Multiples are indexed to a starting point of 100 – the graph thus shows each market's relative multiple development

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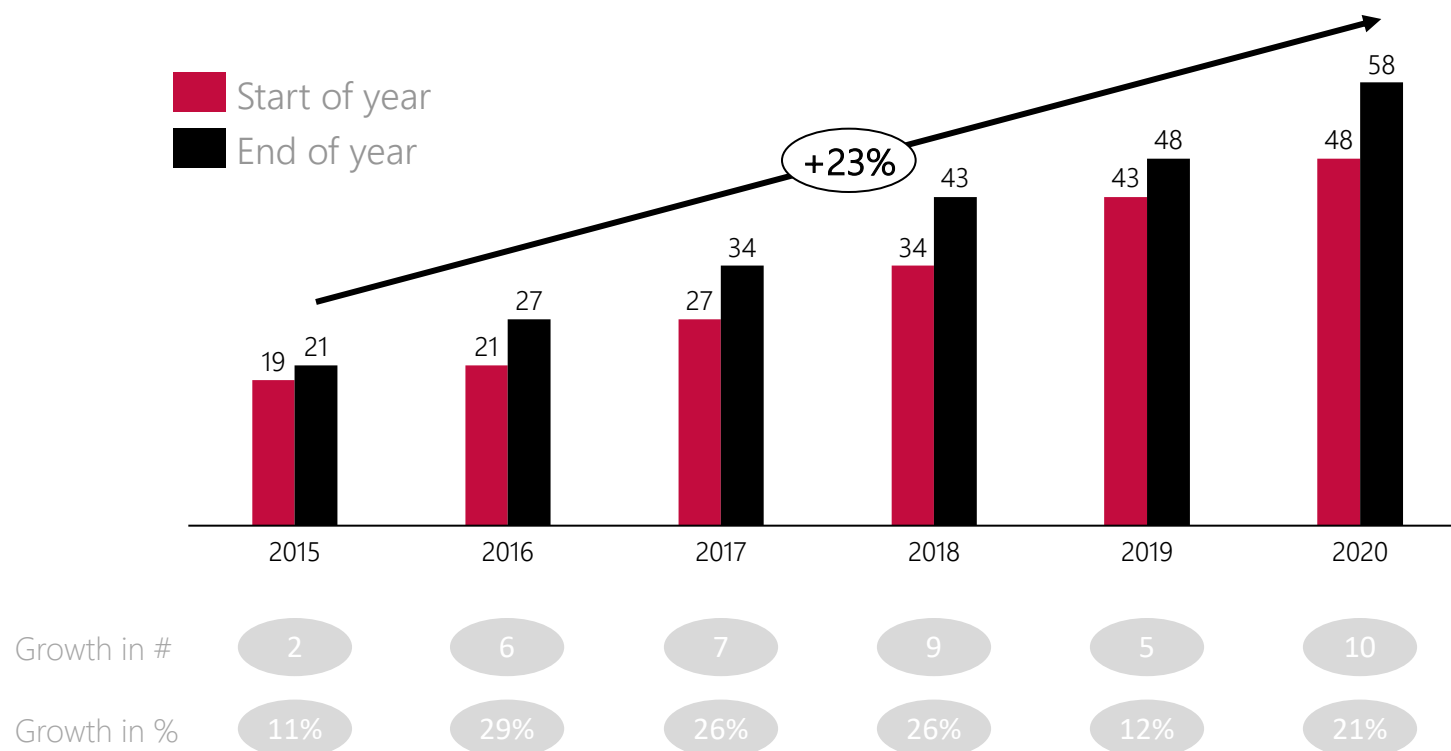
Covid-19 impact of price multiples

04

Development in Nordic public listings

The number of Nordic public listed SW companies has more than doubled since 2015 – after a slow 2019 the annual growth in net listings is back at historical pace in 2020

Net Nordic public listings, 2015 – 2020



SELECTION OF 2020 NORDIC PUBLIC LISTINGS



Source: Capital IQ, Silverpeak, Impello

Note: Figures shows net growth in number of listings

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