

## September 2018 - Monthly Briefing

8<sup>th</sup> October 2018

### European TMT M&A activity remains subdued, but valuations improve

The top global TMT deal announced in September was by Japanese semiconductor manufacturer, Renesas Electronics, which plans to acquire US-based, Integrated Device Technology, a leading supplier of analog mixed-signal products including sensors, connectivity and wireless power in an all-cash transaction representing an equity value of approximately \$6.7 billion. The acquisition combines two recognized leaders in embedded processors and analog mixed-signal semiconductors, each with unique strengths in delivering products to improve performance and efficiency in high-computing electronic systems.

Adobe announced the top global software deal with the acquisition of Marketo, a market-leading cloud platform for B2B marketing engagement, for \$4.75 billion from Vista Equity Partners. Adding Marketo's engagement platform to Adobe Experience Cloud will enable Adobe to offer an unrivalled set of solutions for delivering transformative customer experiences across industries and companies of all sizes.

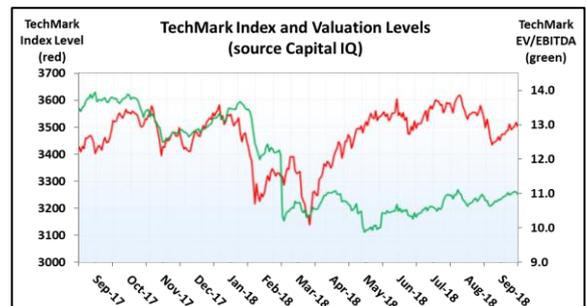
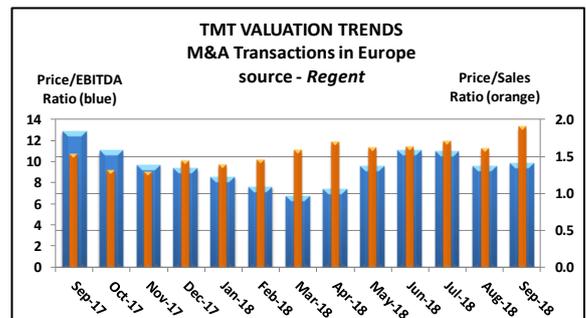
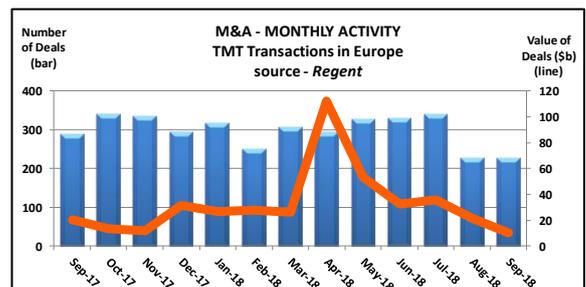
In Europe, private equity firm, BC Partners, is acquiring majority ownership of European cable and pay-TV operator, United Group, from KKR for an estimated €2.6 billion including debt. KKR will retain a substantial minority stake. Since its investment in 2014, KKR has supported United Group to build the company into the leading provider of communications and media services in South Eastern Europe. United Group's fibre and cable networks have the largest presence in the region, covering 1.82m homes which benefit from broadband speeds over 2.6x higher than local peers and high quality local and international content.

US private equity firm, Insight Venture Partners, announced the acquisition of Episerver from Accel-KKR for \$1.16 billion. With headquarters in the US and Sweden and regional offices worldwide, Episerver products unify digital content, commerce and marketing in one platform, including omnichannel solutions for smart personalization and intelligent campaigns. The investment will power the marketing technology and digital commerce company's impressive growth through accelerated product development, go-to-market sales and marketing, and branding initiatives.

The top TMT deal involving a UK company was the acquisition of NewVoiceMedia, an industry-leading cloud Contact Centre-as-a-Service (CCaaS) provider, by US based, Vonage, for an equity price of \$350 million paid in cash. The acquisition combines Vonage's robust online communications solutions with NewVoiceMedia's pure-play cloud contact centre offerings, providing an end-to-end communication experience for a company's employees and customers.

#### REGENT's View of the Month

The summer slow-down in European TMT M&A activity, which started in August, continued into September and the aggregate deal value of \$10 billion was the lowest since April 2017. However, valuation multiples improved with the Price/Sales ratio up from 1.6 in August to 1.9 in September and the Price/EBITDA ratio up from 9.6 in August to 9.8 in September. Listed technology companies, as represented by the UK TechMark index, gained 0.2% in September.



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