

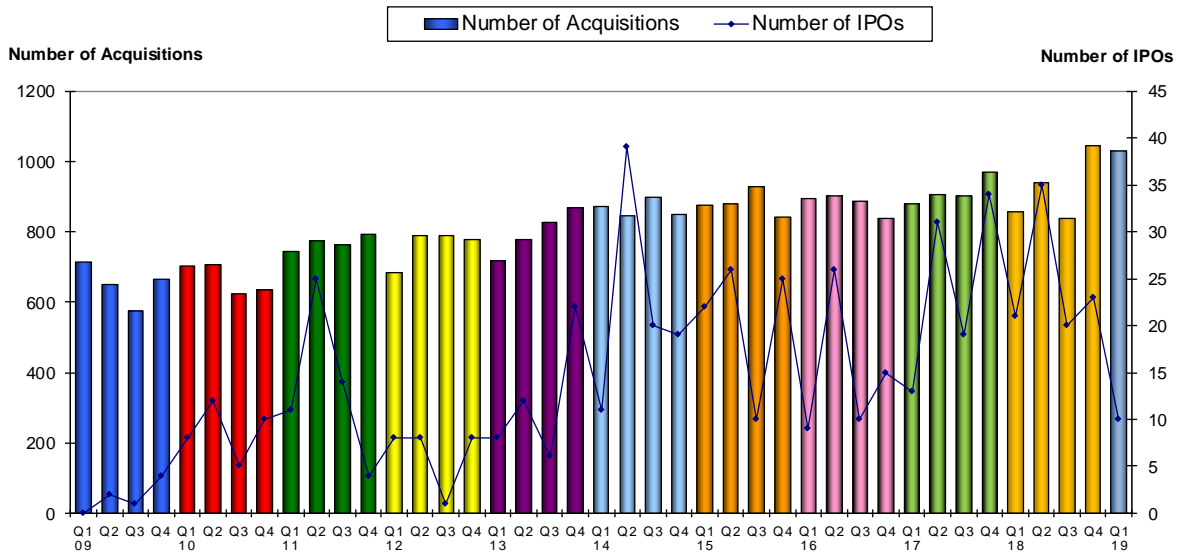
EUROPEAN TECHNOLOGY, MEDIA AND TELECOMMUNICATIONS ACQUISITIONS

1st Quarter 2019 Review

An analysis of the TMT acquisition transactions announced in the 1st quarter of 2019 involving European companies.

The analysis is drawn from the proprietary Regent Assay Research Database and includes companies in IT and business services, software, telecommunications, media, Internet, embedded technology as well as electronic systems, components and semiconductors.

European TMT Acquisitions and IPOs by Quarter

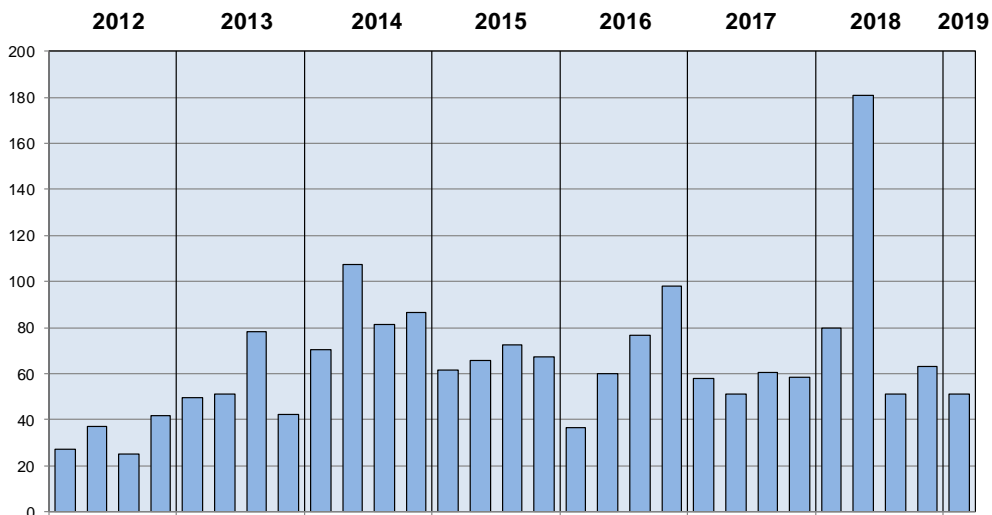


Source: Regent Assay

European TMT merger and acquisition (M&A) activity in Q1 2019 maintained the strong deal flow from the final quarter of 2018. There were 1030 transactions announced, down just 2% from Q4. The total value of deals announced in Q1 dropped from \$63 billion in Q4 2018 to \$51 billion in Q1 2019.

Economic and political uncertainty continued to produce volatility in the major stock markets which resulted in the number of European TMT companies making an IPO decreasing from 23 in Q4 to just 10 in Q1, the lowest level since Q3 2016.

European TMT Acquisitions – Aggregate Value (\$b) by Quarter

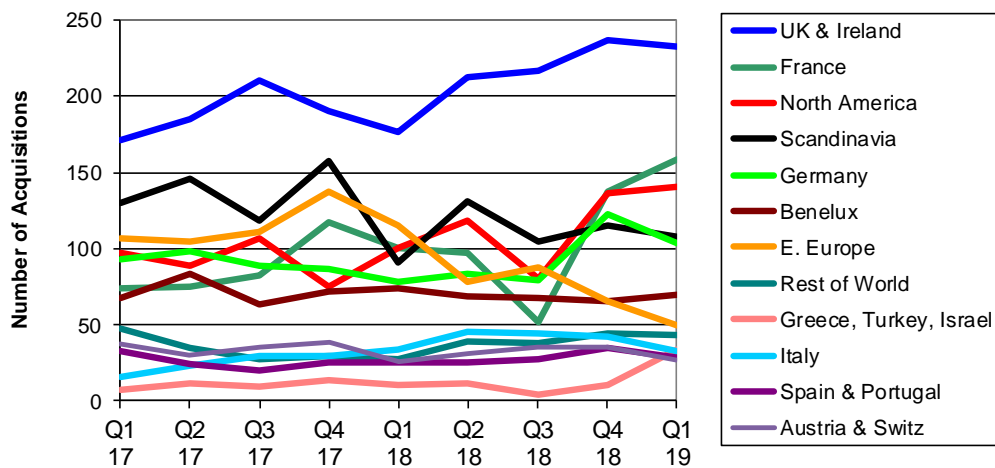


Source: Regent Assay

Despite the high number of deals announced in Q1, there were fewer high value deals. The number of transactions valued at more than \$1 billion decreased from 12 in Q4 to 9 in Q1 and the number of deals in the \$100 million to \$1 billion range decreased from 41 in Q4 to 30 in Q1. The median deal size during the quarter was also lower, dropping from \$16.2 million in Q4 to \$14.6 million in Q1. This is well above the median level of \$13.6 million for the whole of 2017, but lower than the \$18.0 million average deal size in 2018.

UK and Irish companies continued to be the most prolific buyers of European TMT companies, accounting for 23% of the deals in Q1, although this was down 2% from Q4. French buyers were significantly more active in Q1 with a 16% increase over the previous quarter, accounting for 15% of deals. North American buyers announced 4% more deals in Q1, which accounted for 14% of the deals in the quarter. The number of deals announced by Scandinavian buyers fell by 6% to account for 10% of all deals in the quarter, just marginally ahead of German buyers who announced 15% fewer deals in Q1 compared to a particularly strong final quarter in 2018. The number of deals announced by Eastern European buyers has been on a downward trend for more than a year and fell another 24% in Q1.

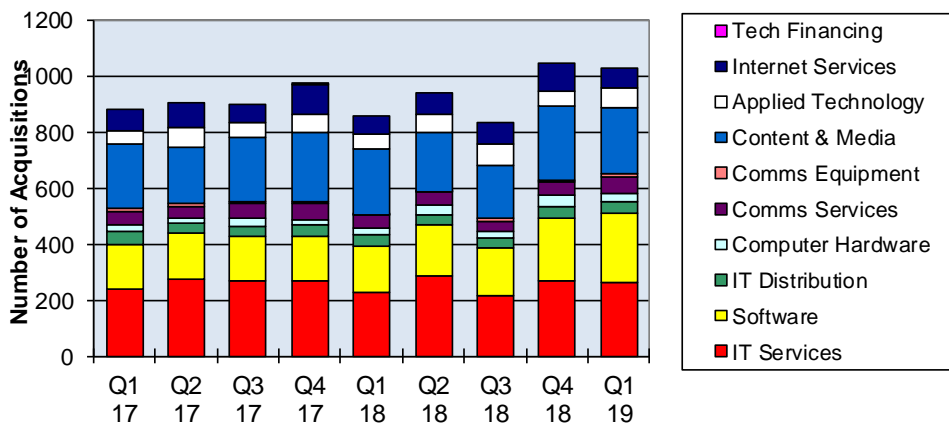
Trend Analysis by Country of Buying Company



Source: Regent Assay

Industry Sector Activity

Quarterly Technology Acquisition Trends by Sector

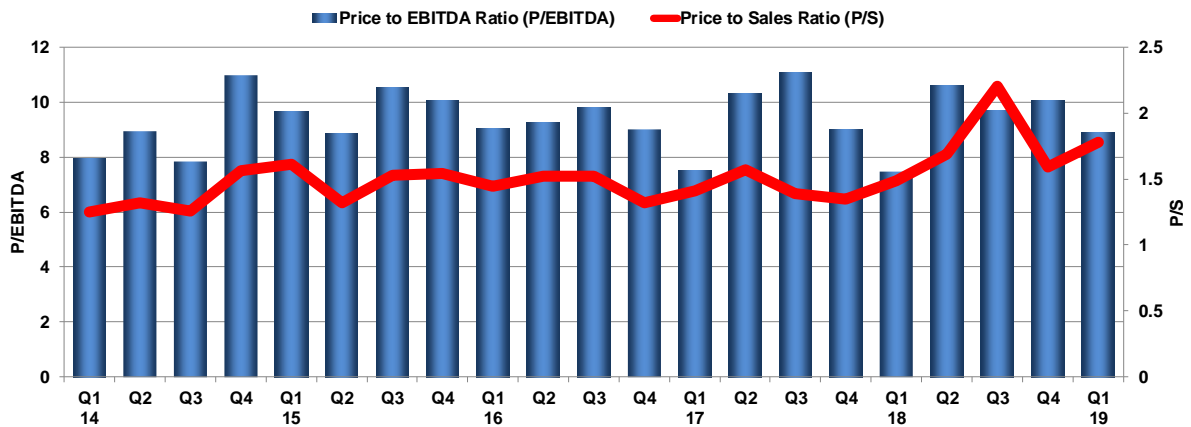


Source: Regent Assay

The number of acquisitions in the software and IT services sectors increased by 4% in the first quarter. There was a 13% increase in the number of software deals but a 3% decrease in IT services deals. This resulted in the combined software and IT services sector accounting for 50% of European TMT deals in Q1. Content and Media deals fell 9% in Q1 but was almost unchanged from the same period in 2018 and the sector now accounts for 23% of all deals. Acquisitions in the telecoms sector increased by 28% in Q1 and accounted for 9% of all European TMT deals in the quarter.

Financial buyers (private equity) maintained a similar deal flow to the second half of 2018, accounting for 12% of the announced deals in Q1, up 2% from Q4. Altogether private company buyers, including financial buyers, accounted for 70% of the deals in Q1.

Valuations of European TMT Companies



Source: Regent Assay

Valuation multiples, in terms of the price to EBITDA (P/EBITDA) ratio and price to sales (P/S) ratio, diverged in Q1. The median P/S ratio increased, to 1.8 in Q1 from 1.6 in Q4. However, the median P/EBITDA for the European TMT sector decreased from 10.0 in Q4 to 8.9 in Q1. For the whole of 2018 the average P/S ratio was 1.6 and the P/EBITDA ratio was 9.9. *Note – the recorded valuations include 50% of the expected contingent consideration in deals with earn-outs and apply to historic performance.*

Research Methodology

For more than 20 years the TMT research group at Regent Assay has tracked all of the acquisitions involving European technology companies. Data is drawn from the press, company reports, investor statements, and through direct investigation. The resulting proprietary database is used to produce comprehensive analysis of current market dynamics as a critical ingredient in Regent Assay’s acquisition services to identify targets and predict valuation trends.

Regent Assay

The TMT division of Regent Assay is one of Europe’s leading advisors to organisations in the Technology, Media and Telecommunications industries on all aspects of corporate development including, acquisitions, divestments, company sales, financing, valuations and strategic advice.

With a successful track record of almost 500 completed M&A transactions, Regent Assay’s client base includes many of the world’s best-known technology companies. Through teams based in Europe, USA and Asia Pacific, Regent Assay is able to handle assignments ranging from local deals to complex international transactions.

Some Of Our Recent Transactions

 HAS BEEN ACQUIRED BY 	 HAS RECEIVED FUNDING FROM 	 HAS BEEN ACQUIRED BY 	 HAS BEEN ACQUIRED BY 	 HAS DIVESTED ITS SUBSIDIARY TO 	 HAS BEEN ACQUIRED BY TAX SYSTEMS PLC MANAGED BY
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