



# Swiss M&A Report – Market and valuation update

Technology, Media and Telecommunications



February 2024

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## M&A sell-side

- Company sales
- Succession solutions
- Carve-outs
- Management buy-outs
- Financing solution
- Commercial vendor assistance
- Financial vendor assistance
- SPA advise
- Tax structuring and advice
- Operational carve-outs

## M&A buy-side

- Strategic acquisitions
- Buy-and-build acquisitions
- Mergers
- Management buy-ins
- Joint ventures and strategic alliances
- Commercial due diligence
- Financial due diligence
- Legal due diligence
- Tax due diligence
- Post-merger integration



# Introduction

PwC is the leading middle-market M&A advisor trusted by more top decision-makers than any other service provider. Our clients choose us for our expertise, industry knowledge and proven ability to execute successful transactions. We are a community of experts who combine human ingenuity, experience and technology to deliver sustained outcomes and build trust.

The 'Swiss M&A Report – Market and valuation update' gives you an overview and insights into the current Technology, Media and Telecommunications ('TMT') M&A market in Switzerland. You will find information on the overall transaction environment as well as current valuation levels of eight selected subsectors covering the entire TMT market.

PwC offers holistic M&A advisory services covering all aspects before, during and after a transaction. As your financial advisor, we coordinate and advise you along the entire transaction process, and we can support you on specific inquiries or individual parts of the transaction. With our wider Deals practice, we can support you on any transaction-related matter.

#1

M&A mid-market  
advisor

>25

completed transactions  
in 2023 in Switzerland

>600

completed transactions  
globally

## Who we are...



...the **leading M&A advisor**  
for mid-sized transactions in  
Switzerland and globally.



...your **ideal partner** for all  
matters before, during and after  
a transaction.



...a very experienced **M&A team**  
**focused** on the **TMT industry**  
advising on local and cross-  
border deals supported by our  
**global network**.

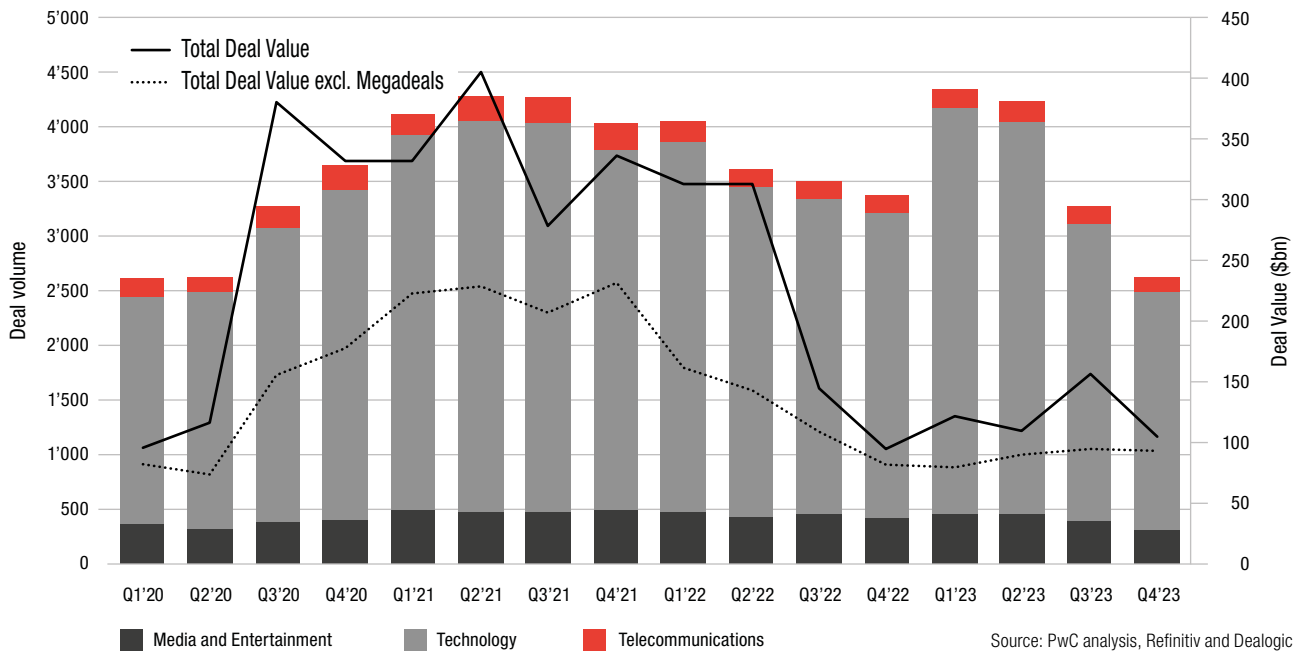


...**one stop-shop offering**  
additionally all other transaction  
related services, e.g. legal and  
tax advice or due diligence and  
valuation services.

# Transaction environment

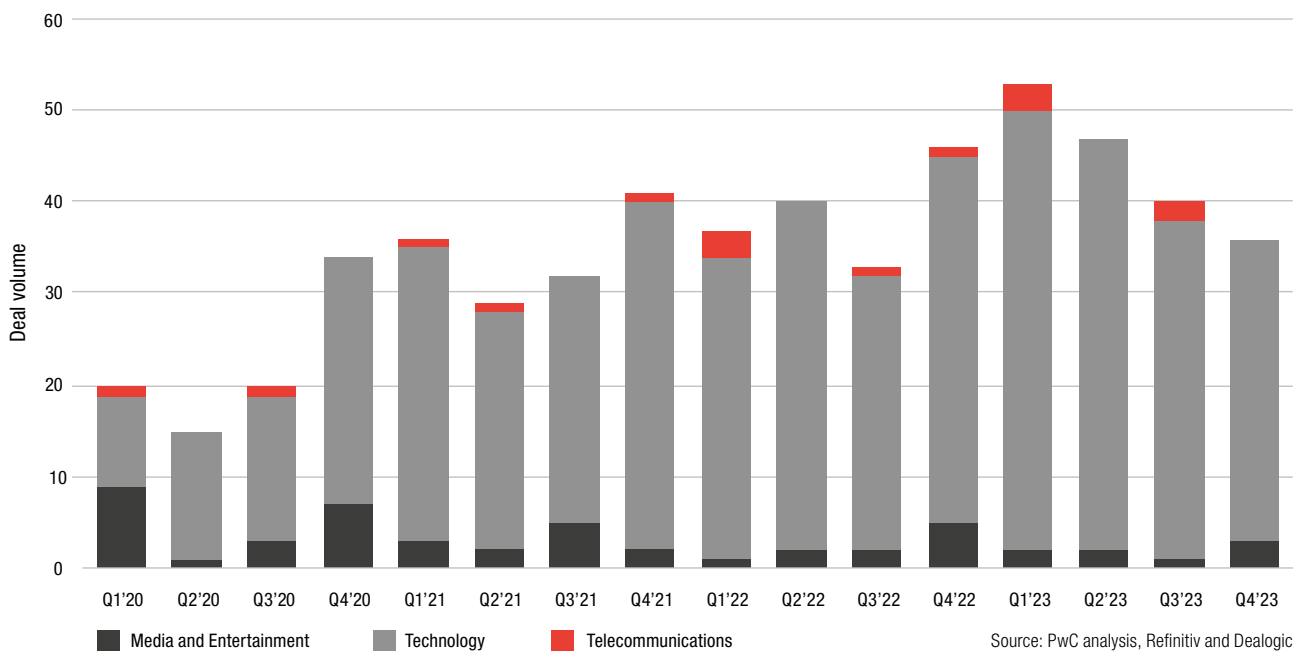
## Global TMT deal volumes and values, 2020–2023

TMT M&A deal volume declined by 1% and deal value fell by 44%, primarily due to lower deal values achieved in the Technology subsector.



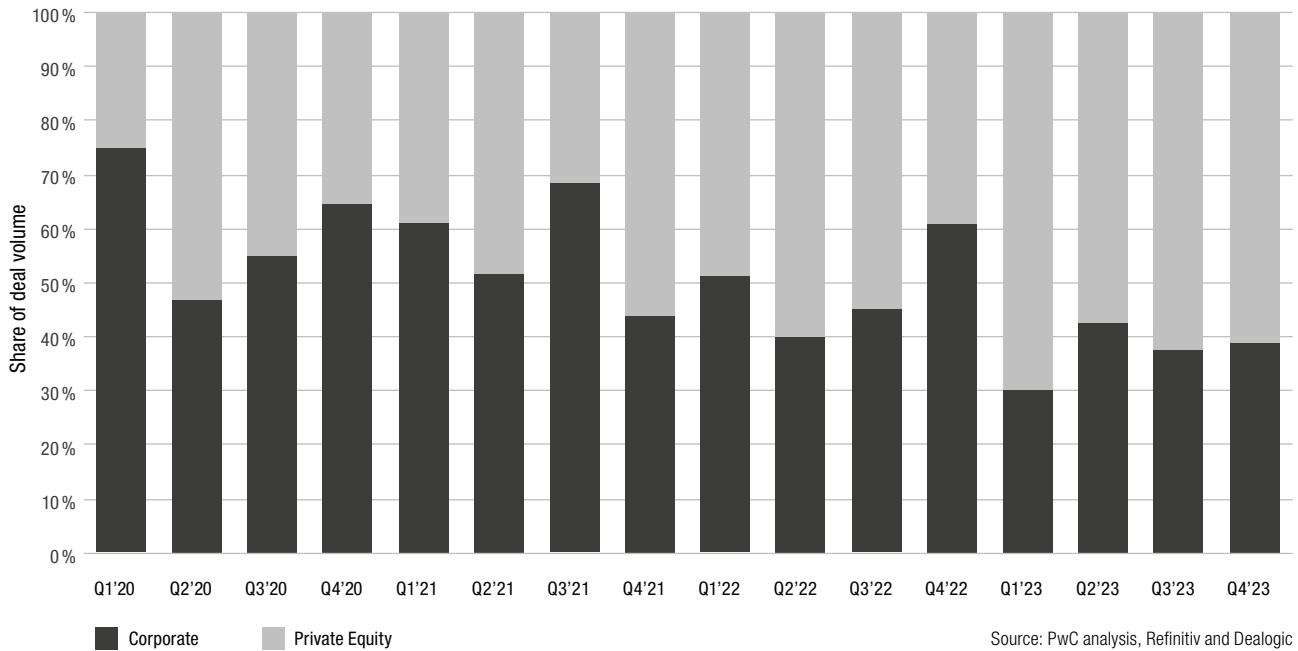
## Swiss TMT deal volumes, 2020–2023

The Swiss TMT deals volume reached an all-time high in 2023 (+13% YoY) driven by an extraordinary H1'23, with the Technology subsector accounting for 93% of overall M&A activity.



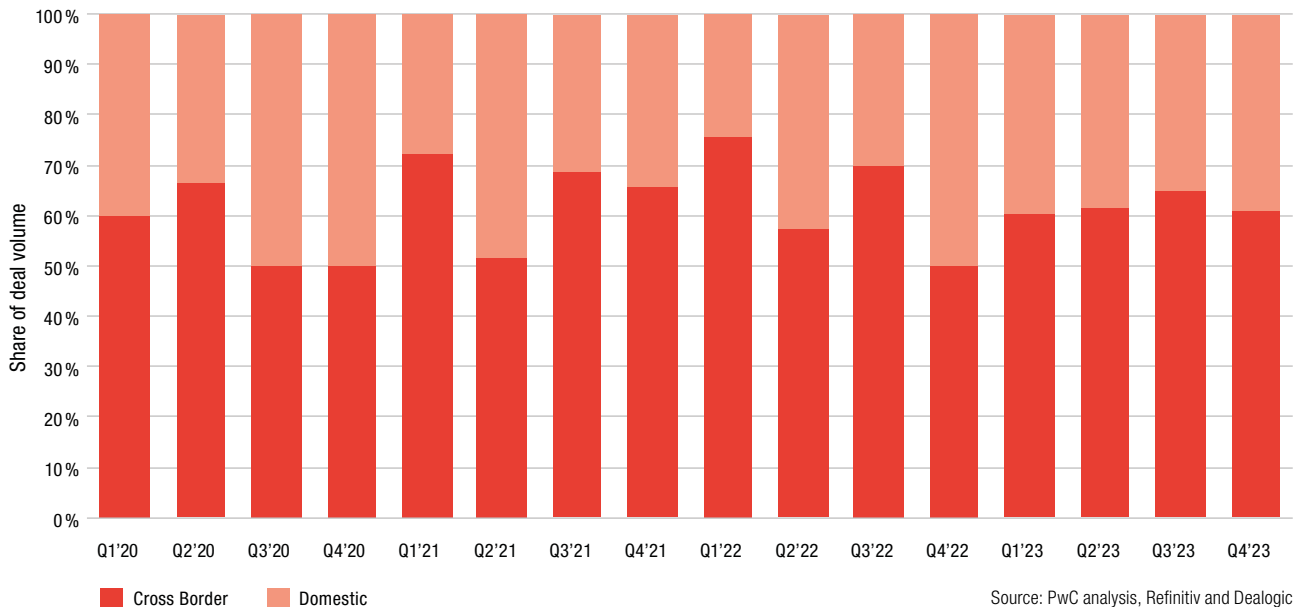
## Corporate vs. private equity in the Swiss TMT market, 2020–2023

The TMT M&A space in Switzerland has seen a sixfold increase in deal volume from private equity (PE) and financial investors since 2018, with 63% of transactions involving a financial sponsor in 2023.



## Cross border vs. domestic deals in the Swiss TMT market, 2020–2023

The high share of cross border deals (62% in 2023) underlines the attractiveness of Swiss TMT assets and the sector's strong international perspective.



# Top 10 deals in 2023

## Targets with Swiss HQ by deal value

Announced date	Target	Industry	Transaction type (stake)	Buyer	Seller	Deal value (in USD m)
24.10.2023 <sup>1</sup>	First Move! AG	Mobility consulting services	Sale (100%)	GORE German Office Real Estate AG	–	138
16.11.2023	Crealogix Holding AG	E-business services in consulting, technology and multimedia/design	Sale (100%)	Vencora UK Ltd	Richard Dratva (Private individual)	124
13.09.2023	Kandou Bus SA	Semiconductors	Investment	Undisclosed	–	72
14.02.2023	Taurus Group SA	Software publishers	Investment (Series B funding)	Consortium led by Credit Suisse Group AG	–	65
16.05.2023	ANYbiotics AG	Robotics	Investment (Series B funding)	Consortium led by Walden Catalyst and NGP Capital	–	50
19.01.2023	ClearSpace SA	Aerospace and defence	Investment (Series A funding)	Consortium led by OTB Ventures	–	29
19.06.2023	HYGH AG	Advertising	Investment (100%)	Sparta Capital Management	–	24
26.09.2023	Pexapark AG	Application software	Investment (Series C funding)	Consortium led by Telstra Ventures	–	21
14.03.2023	Invenda Group AG	Retailtech, software and hardware	Sale (100%)	Point Break Capital Management LLC, Mutschler Ventures AG	–	19
06.09.2023	deskbird AG)	Software-as-a-service (SaaS) workplace management	Investment (Series A funding)	ALSTIN Capital, AVP (AXA Venture Partners)	–	13

Source: PwC analysis, Mergermarket, S&P Capital IQ, S&P Capital IQ Pro

Notes: Overview only includes deals where the deal value is publicly available and where the target was headquartered in Switzerland; 1) Status is currently pending, shareholders of GORE German Office Real Estate AG have approved the acquisition as part of a non-cash capital increase excluding shareholders' subscription rights

# TMT sector overview

## Overview of operational key performance indicators

	Sales growth FY23	Sales growth FY22	EBITDA margin FY23	EBITDA margin FY22
Advertising	6.9%	19.6%	6.6%	8.3%
Application Software	4.8%	3.9%	12.5%	13.1%
IT Services	10.1%	5.7%	9.7%	9.8%
Media & Entertainment	7.7%	32.4%	8.1%	7.2%
Online Services	-0.5%	13.3%	12.1%	12.2%
Publishing	-0.9%	3.2%	9.2%	9.3%
Systems Software	4.3%	10.0%	12.9%	13.6%
Telecommunication Services	1.6%	3.8%	20.0%	23.1%

## Overview of revenue, EBITDA, and EBIT trading multiples

	EV/Revenue LTM	EV/Revenue 5y average	EV/EBITDA LTM	EV/EBITDA 5y average	EV/EBIT LTM	EV/EBIT 5y average
Advertising	0.8x	1.3x	7.8x	9.5x	12.8x	14.9x
Application Software	2.5x	3.6x	13.8x	19.1x	18.1x	22.1x
IT Services	1.0x	1.1x	9.4x	10.7x	12.3x	15.0x
Media & Entertainment	1.5x	2.1x	7.9x	13.6x	15.3x	21.0x
Online Services	1.6x	3.1x	10.2x	16.6x	14.0x	15.5x
Publishing	0.9x	1.0x	7.4x	8.4x	12.1x	13.1x
Systems Software	2.5x	2.6x	13.0x	16.2x	17.2x	20.2x
Telecommunication Services	1.8x	2.1x	6.6x	7.2x	13.1x	16.5x

Source: PwC analysis, S&P Capital IQ, S&P Capital IQ Pro

Notes: Peer group categorisation is based on the Global Industry Classification Standard (GICS); financial year figures for the peer group are based on last 12 months (LTM) data available as per Sep 30, 2023

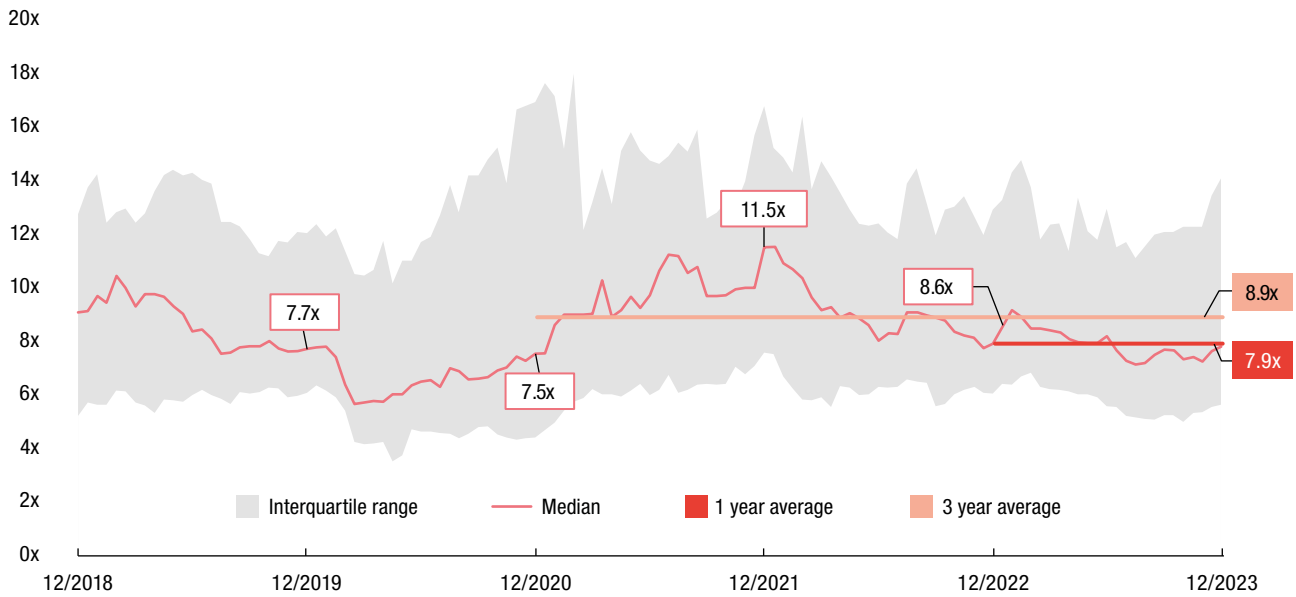


# Advertising

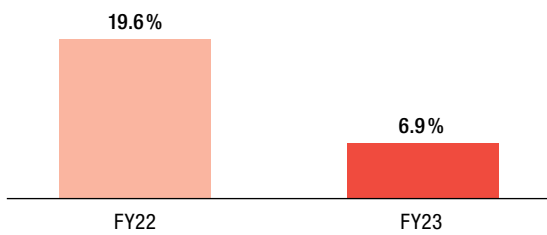


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	0.8x	7.8x	12.8x
5-year average	1.3x	9.5x	14.9x

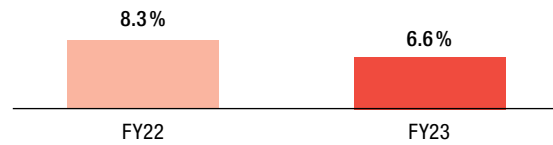
## EV/EBITDA LTM – Trading over time



## Sales growth



## EBITDA margin



## Selected examples of the peer group





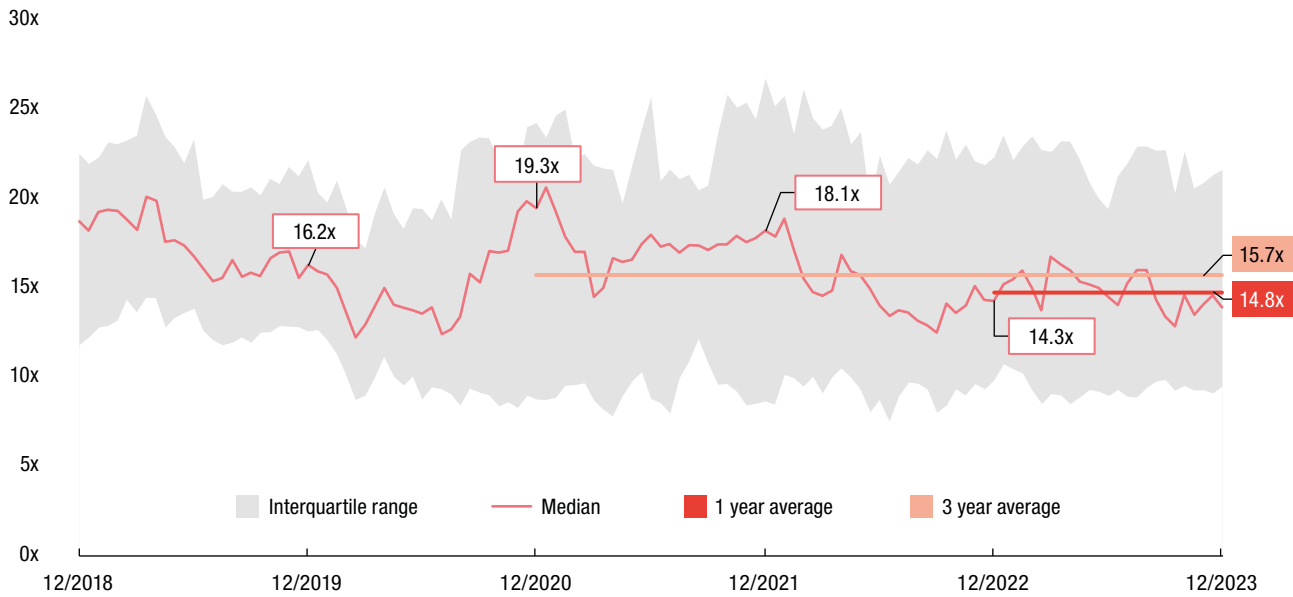


# Application Software



	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	2.5x	13.8x	18.1x
5-year average	3.6x	19.1x	22.1x

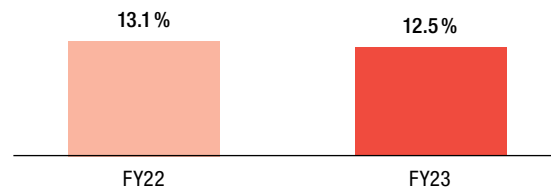
## EV/EBITDA LTM – Trading over time



## Sales growth



## EBITDA margin



## Selected examples of the peer group



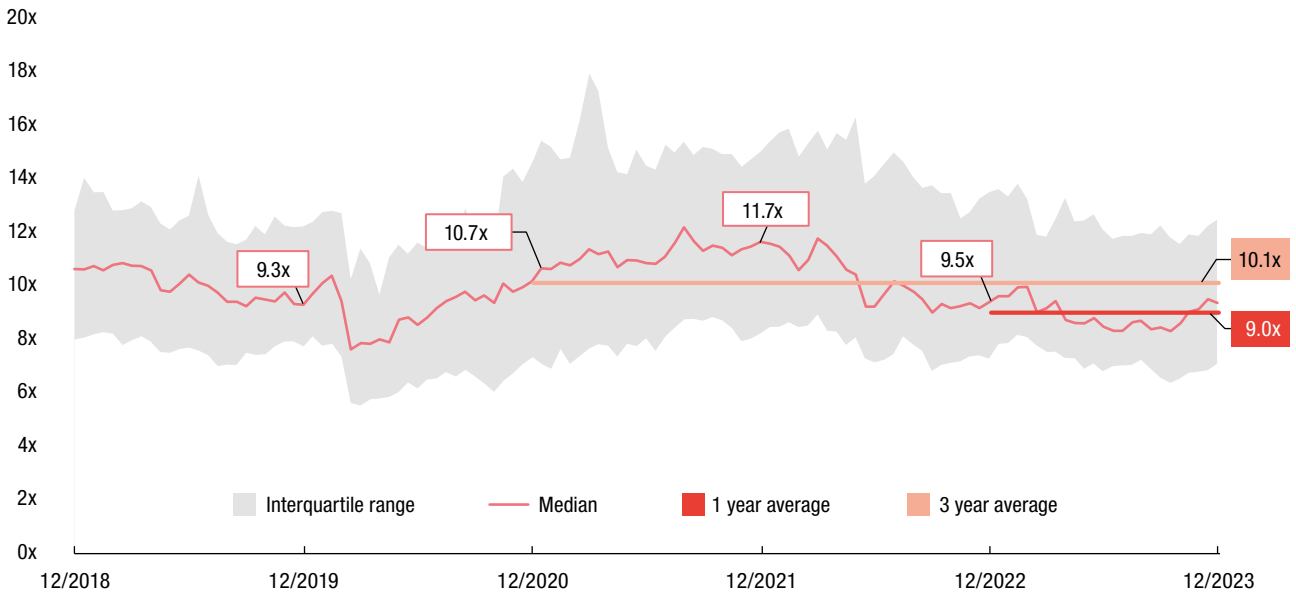


# IT Services

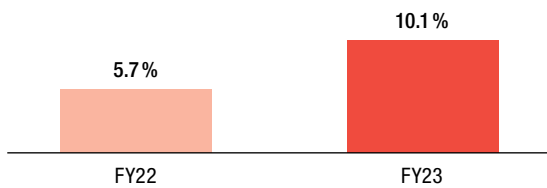


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	1.0x	9.4x	12.3x
5-year average	1.1x	10.7x	15.0x

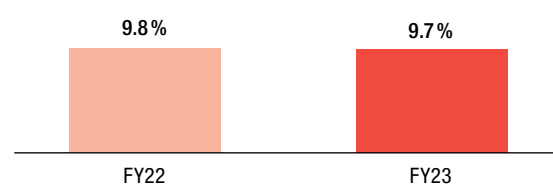
## EV/EBITDA LTM – Trading over time



## Sales growth



## EBITDA margin



## Selected examples of the peer group



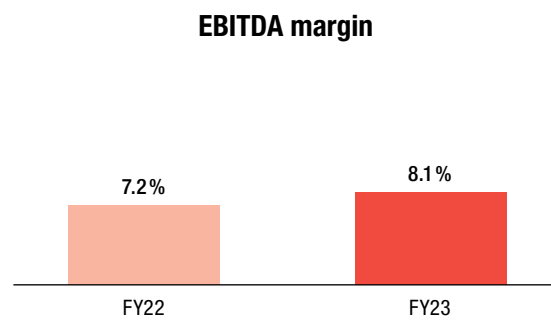
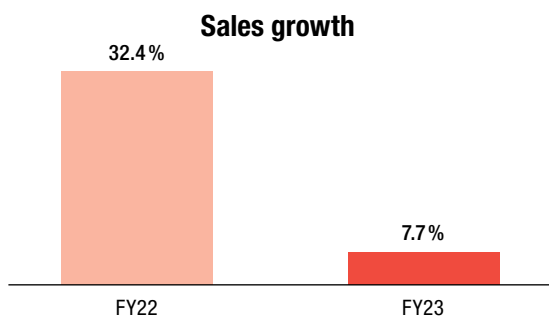
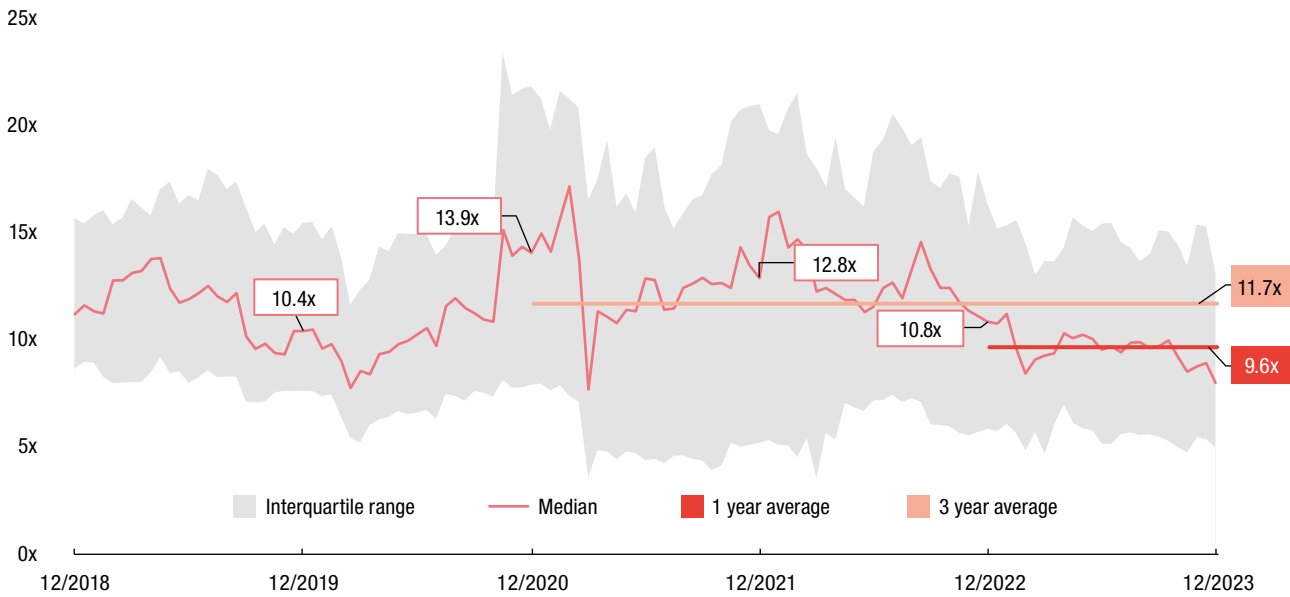


# Media & Entertainment



	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	1.5x	7.9x	15.3x
5-year average	2.1x	13.6x	21.0x

## EV/EBITDA LTM – Trading over time



## Selected examples of the peer group



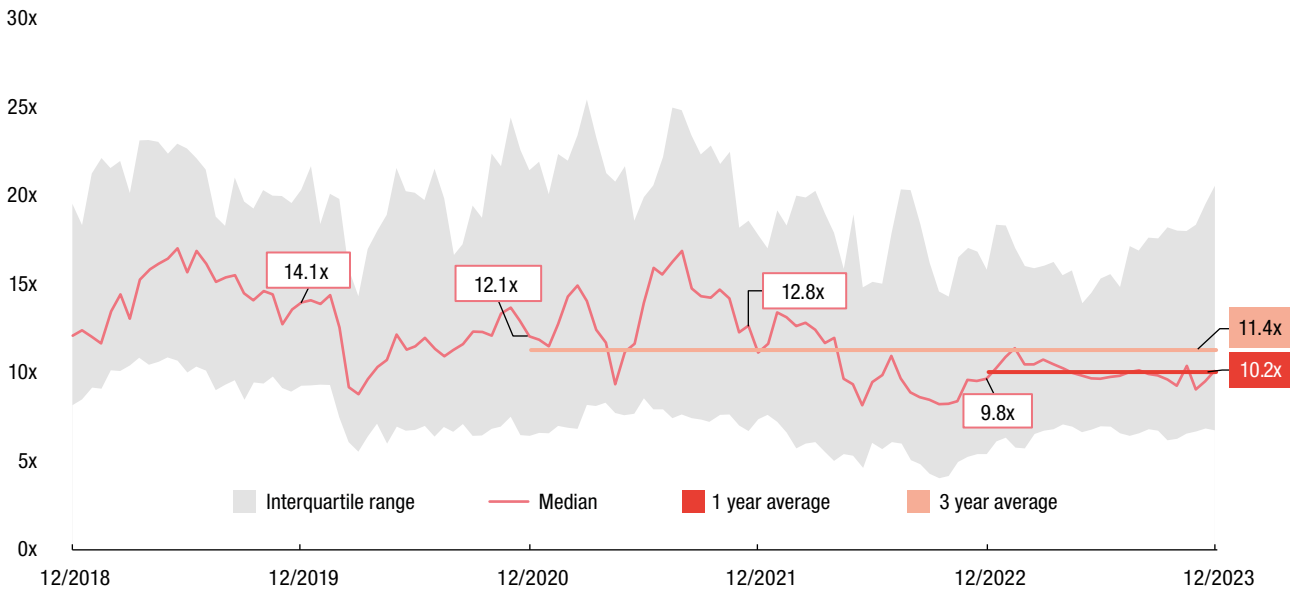


# Online Services

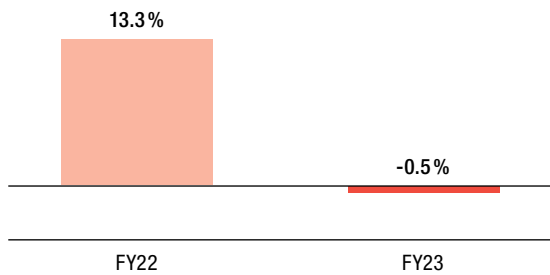


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	1.6x	10.2x	14.0x
5-year average	3.1x	16.6x	15.5x

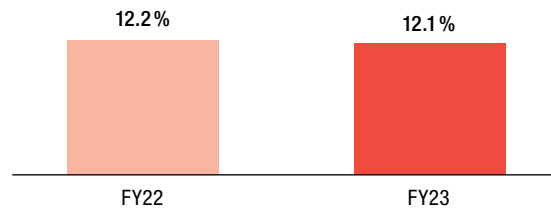
## EV/EBITDA LTM – Trading over time



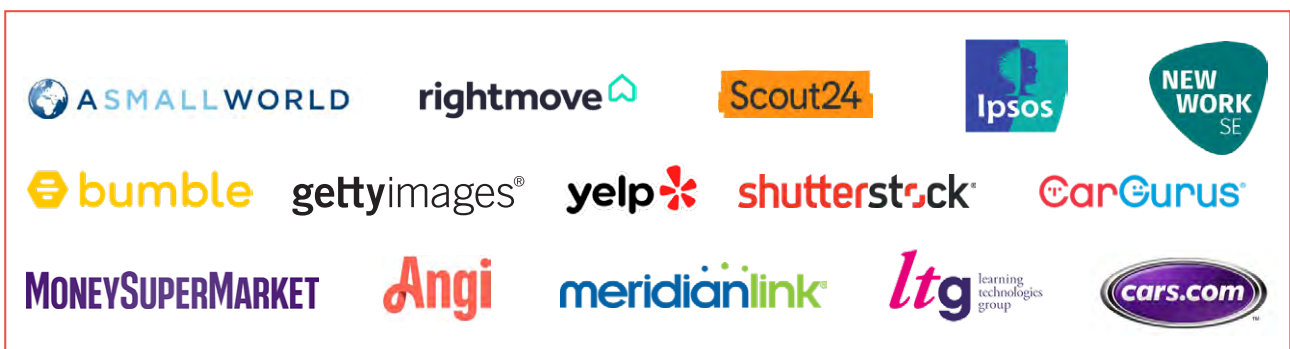
## Sales growth



## EBITDA margin



## Selected examples of the peer group



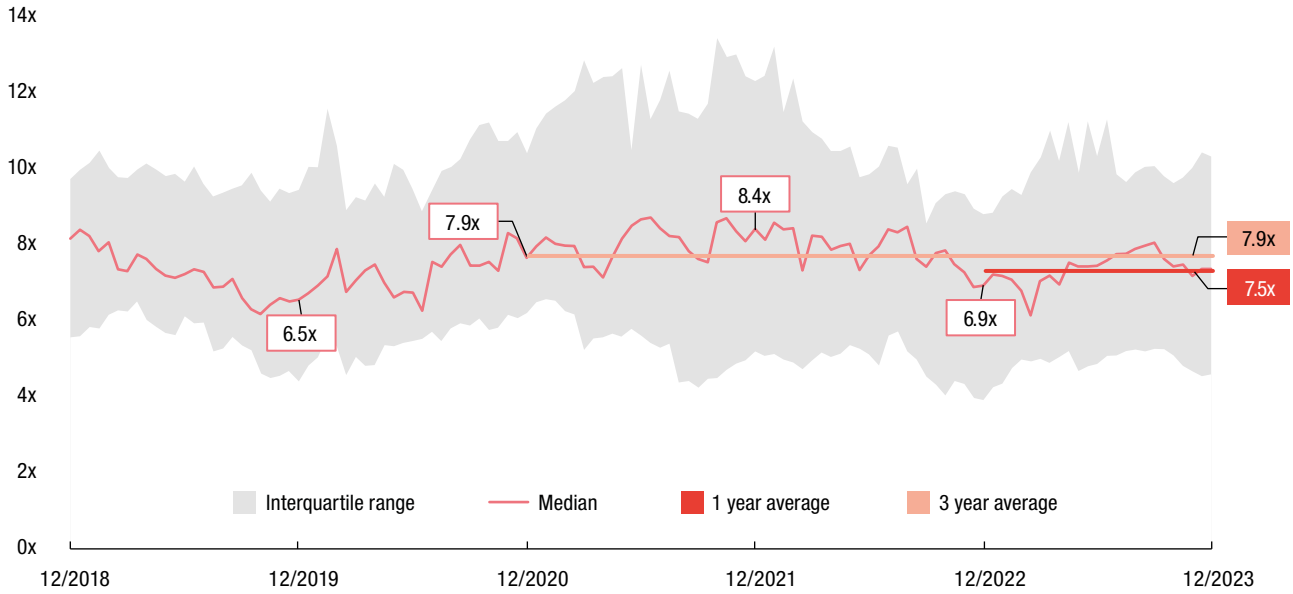


# Publishing

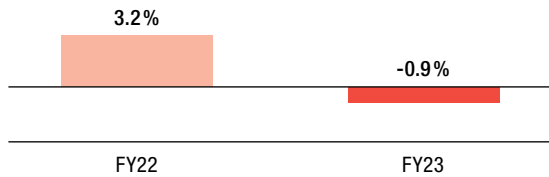


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	0.9x	7.4x	12.1x
5-year average	1.0x	8.4x	13.1x

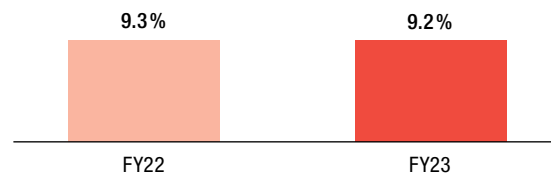
## EV/EBITDA LTM – Trading over time



## Sales growth



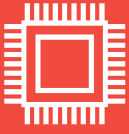
## EBITDA margin



## Selected examples of the peer group





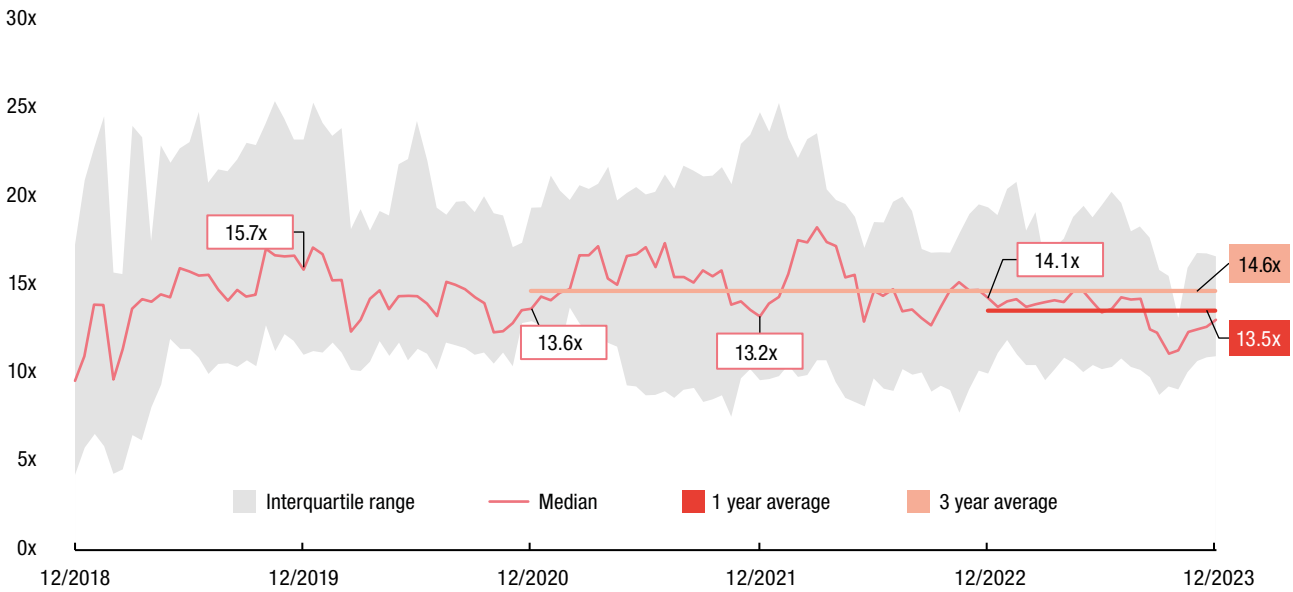


# Systems Software

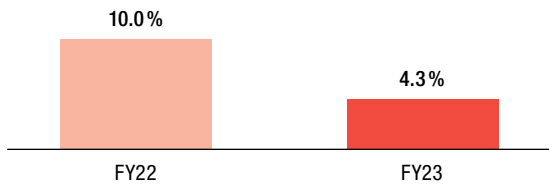


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	2.5x	13.0x	17.2x
5-year average	2.6x	16.2x	20.2x

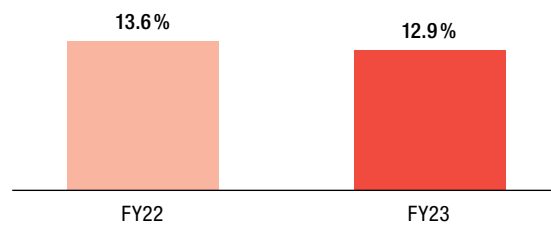
## EV/EBITDA LTM – Trading over time



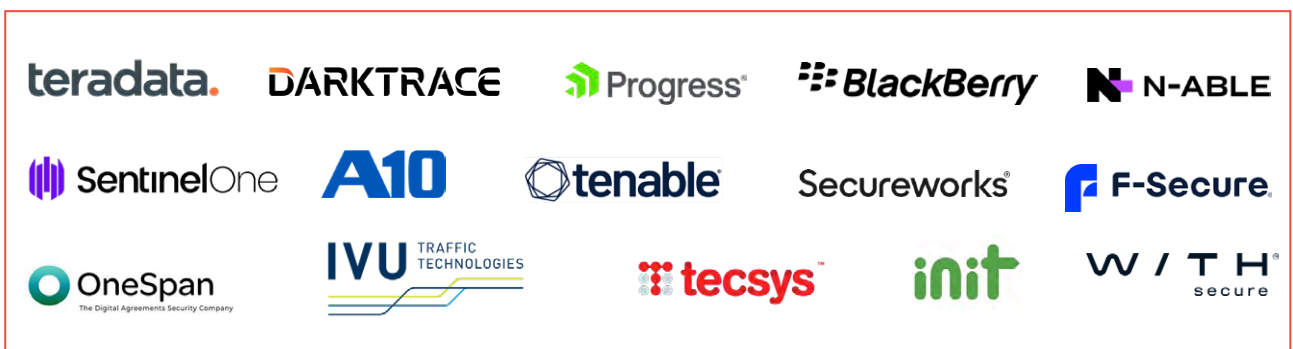
## Sales growth



## EBITDA margin



## Selected examples of the peer group



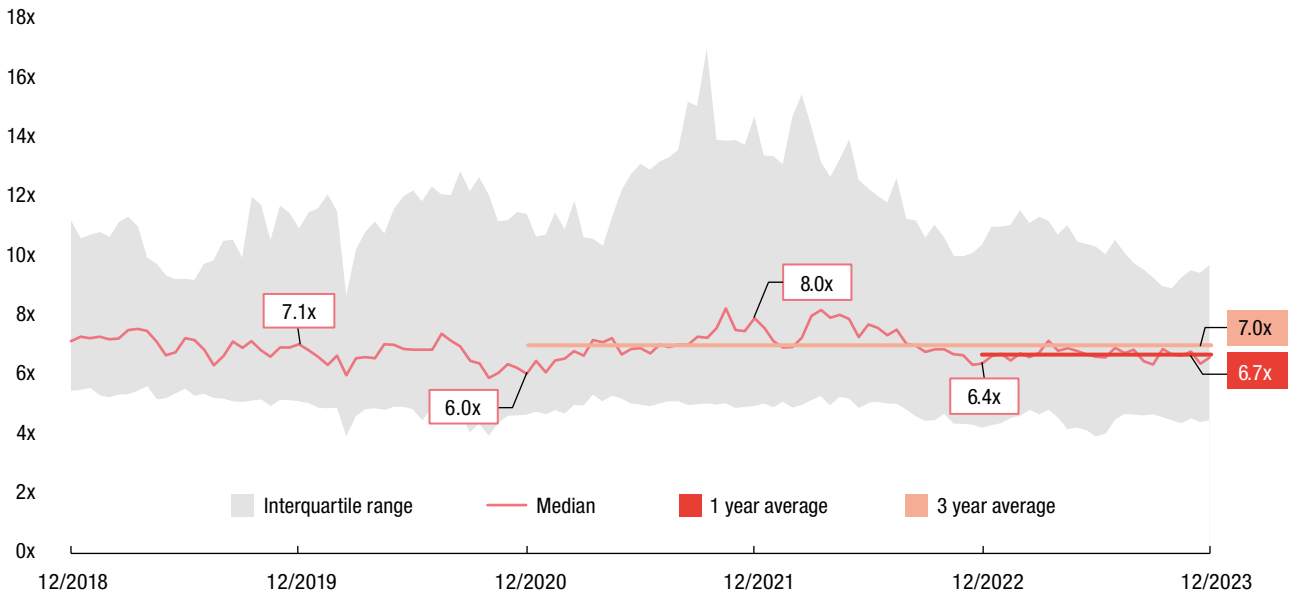


# Telecommunication Services

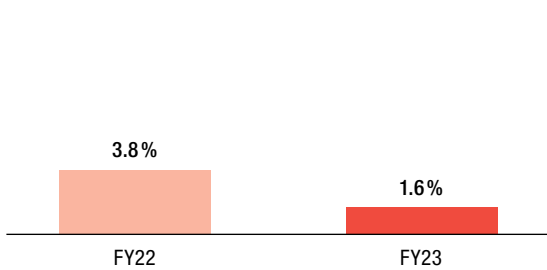


	EV/Revenue	EV/EBITDA	EV/EBIT
LTM	1.8x	6.6x	13.1x
5-year average	2.1x	7.2x	16.5x

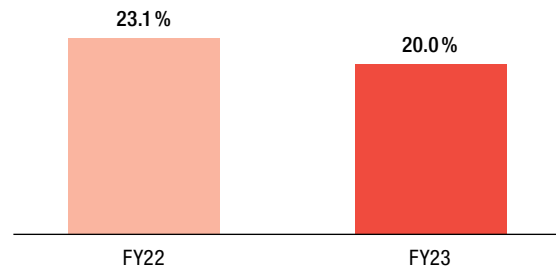
## EV/EBITDA LTM – Trading over time



## Sales growth



## EBITDA margin



## Selected examples of the peer group



A white double quote icon on a dark background.

**The TMT sector continues to be driven by digitalisation and the imperative for business transformation, and highlighted its resilience in the face of a challenging macro-economic environment. Despite the broader economic slowdown TMT remains a highly active industry for M&A, with financial sponsors attracted by its durable business models, robust margins and solid cash flows.**

**Lasse Stünitz**  
Director, M&A TMT Leader



# Why you should consider M&A and how we can help you



## Continuous disruption

According to creative destruction theory, businesses that do not keep up with current innovations and remain stuck in their status quo risk falling behind the competition and, ultimately, becoming obsolete. History has shown this to be true, especially in the fast-paced TMT market.

Nokia, Internet, iPhone, Metaverse, blockchain, machine learning, artificial intelligence, Tesla, Amazon, Netflix, ChatGPT, Web 2.0, Internet of (intelligent) Things, edge computing, hyperscaler, 5G, fintech, cybersecurity, augmented/virtual reality, digital twins, splinternet, quantum computing

## How does your business stay relevant?



### ...it's Threats

Declining revenues, lack of motivation, new projects, lack of innovation, status quo, financial stress, critical mass, non-core assets, ongoing consolidation, large platforms/one-stop shops, skill shortage, increasing regulatory requirements, changing consumer behaviour, new generation, globalisation, ESG

We are convinced that M&A can help your business to stay relevant for a long time, secure or monetise your life's work and protect you from the risks resulting



### ... it's Opportunities

Product innovations, new markets, customer diversification, market share, improved market position, synergies, economies of scale, consolidation, exit, succession, expansion, bilateral offers, multiple arbitrage, portfolio diversification, technological leadership, buy and build, new partner for growth, joint venture, enhanced bargaining power, financial stress/needs

from the ever-increasing pressure to innovate. However, it is very important to understand that M&A is not just M&A.

## Professional M&A advice mitigates the stumbling blocks to M&A transactions

### ... and actions to succeed

Auction process, exit strategy, re-investment, tax optimisation, due diligence, integration, normalised earnings, adjusted EBITDA, small cap discount, illiquidity discount, control premium, equity story, sale preparation, acquisition strategy, SPA, information memorandum, management presentation, value drivers, value creation, net working capital target, net debt, equity value, enterprise value, multiple analysis, net present value, negotiation

The value of businesses is not just the EBITDA multiple times EBITDA – although this can be a good proxy.

The market value, if professionally considered, depends on multiple factors and needs careful analysis. It is critical to define and pursue well-defined transaction goals to realise a successful and rewarding transaction.

With our highly experienced team, we can help you benefit from the numerous advantages of M&A transactions and mitigate the respective risks, whether the objectives are strategic, financial or personal. The transaction process can be a bumpy ride – but with professional preparation and collaboration throughout the process, it can be the successful end of one chapter and the beginning of a new chapter that opens many new opportunities – and not only in the field of M&A!



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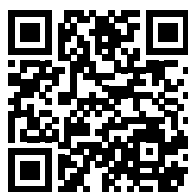
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For more information  
please visit our site





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**The Swiss TMT sector is expected to outperform other adversely impacted sectors, buoyed by underlying growth drivers such as digital transformation and the need for new technical capabilities. Dealmaking activities may target companies in need of capital or with value-enhancing technologies.**

**Martin Münzberg**  
Senior Manager, M&A TMT expert



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