

Tech M&A Monthly

Starts in 2 minutes



Thoughts? Questions? Let us know!
@CorumGroup

CORUM

Tech M&A Monthly

6 Tips for Avoiding a Retrade



We welcome your questions!

**Email questions to
info@corumgroup.com**

This event is being recorded
On demand webcast will be available at
www.corumgroup.com

MERGE BRIEFING

- **90 Minutes**
- **Industry Update**
- **Overview of the M&A Process**





- **Half-Day**
- **Tech M&A Bootcamp**
- **The most attended tech executive conference in history**





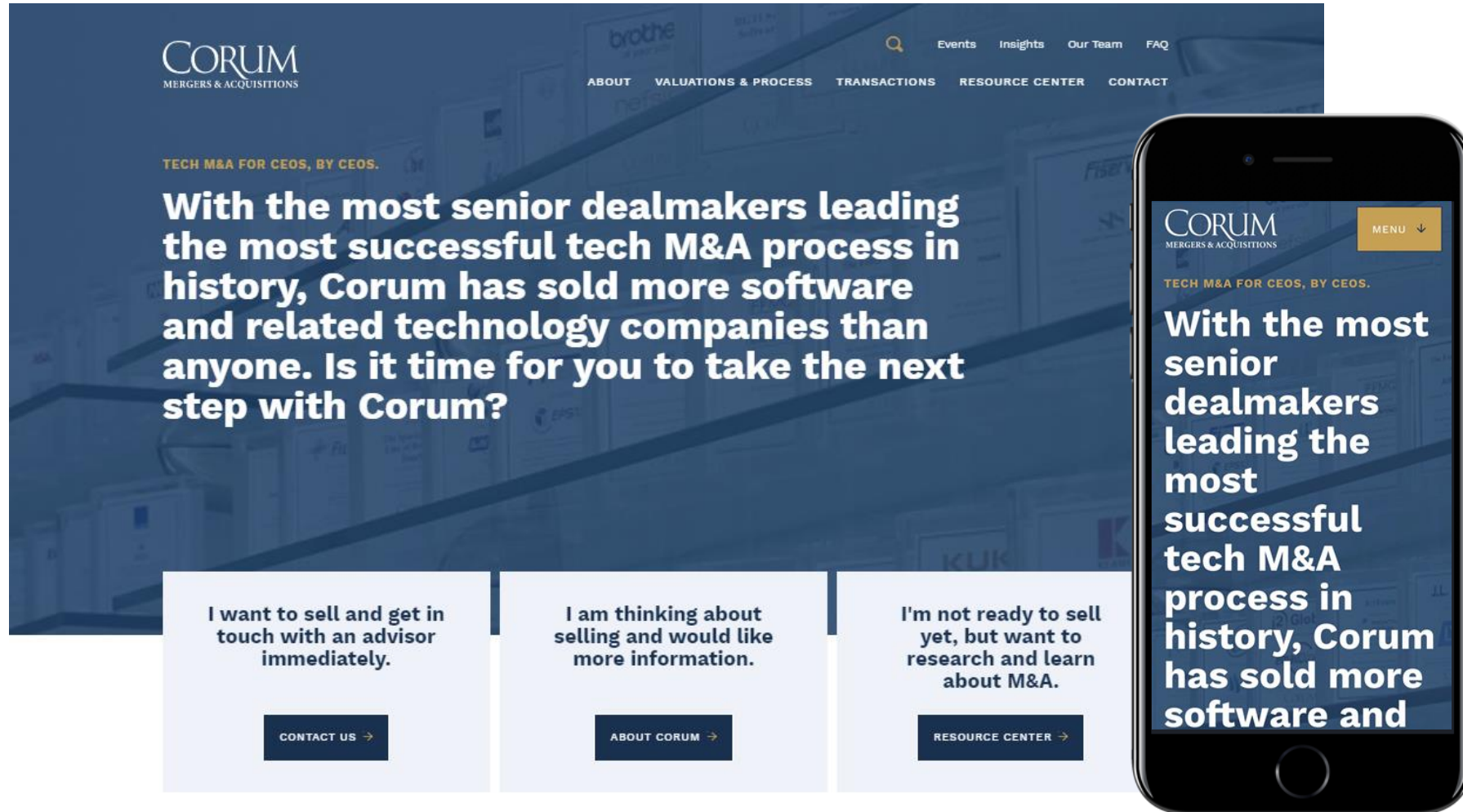
MERGE BRIEFING



- **Half-Day**
- **Tech M&A Bootcamp**
- **The most attended tech executive conference in history**



- **90 Minutes**
- **Industry Update**
- **Overview of the M&A Process**



CORUM
MERGERS & ACQUISITIONS

ABOUT VALUATIONS & PROCESS TRANSACTIONS RESOURCE CENTER CONTACT

TECH M&A FOR CEOs, BY CEOs.

With the most senior dealmakers leading the most successful tech M&A process in history, Corum has sold more software and related technology companies than anyone. Is it time for you to take the next step with Corum?

I want to sell and get in touch with an advisor immediately.

[CONTACT US →](#)

I am thinking about selling and would like more information.

[ABOUT CORUM →](#)

I'm not ready to sell yet, but want to research and learn about M&A.

[RESOURCE CENTER →](#)

36

Years in business

\$10B

In wealth created

400+

Closed transactions



**Focus—sell side,
technology only**

**Detailed, professional,
global process**

**Team approach,
senior dealmakers**

**World Technology
Council**

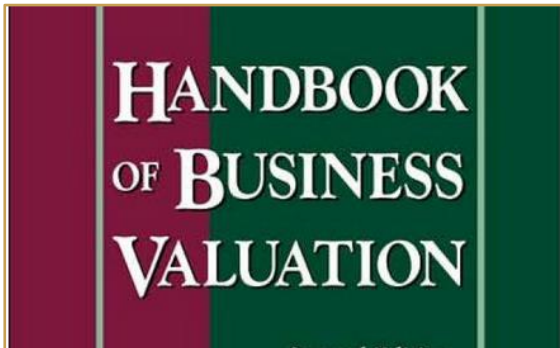
SOLD MORE SOFTWARE-RELATED FIRMS THAN ANYONE



Research

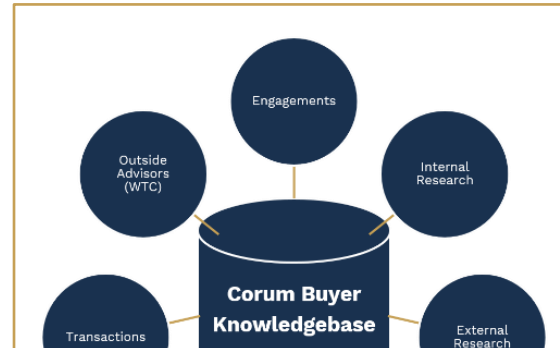


Education



Valuation

JEFFREY D. JONES



Database



**The definitive tech
M&A education**

- **Since 1990, the most attended executive conference in technology history**
- **More events hosted than all other competitive conferences combined**
- **Over \$3 trillion in transaction value by attendees – buyers and sellers**

8 Stages for an Optimal Outcome

Preparation

Research

Contact

Discovery

Negotiation

Due
Diligence

Closing

Integration

Past Attendees Include



Tech M&A Monthly

Starts in 1 minutes



Thoughts? Questions? Let us know!
@CorumGroup

CORUM

Tech M&A Monthly

6 Tips for Avoiding a Retrade



Tim Goddard, EVP, Corporate Strategies, Corum Group Ltd.



- **Served as marketing and product manager for GIS software startup Depiction, Inc., and previously worked in marketing for VizX Labs, a pioneering SaaS startup delivering DNA analysis tools.**
- **Worked for a US Senate campaign and taught science in Rio de Janeiro.**
- **Graduated Magna Cum Laude from Bethel University in St. Paul, Minnesota, with degrees in History and Biology.**

We welcome your questions!

**Email questions to
info@corumgroup.com**

This event is being recorded
On demand webcast will be available at
www.corumgroup.com

Welcome

CEO's Desk: "Treasures Down Under"

Event Report

Tech M&A Market Research Report

Special Report: "6 Tips for Avoiding A Retrade"

Closing

CORUM

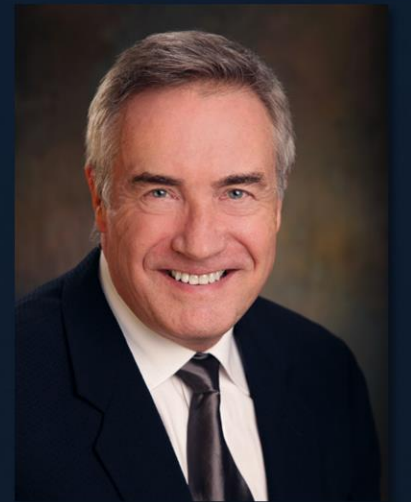
CEO's Desk

Vertical Market M&A Update

Presented By

Bruce Milne

**Chief Executive Officer
Corum Group Ltd.**



CEO's Desk: Tech Treasures Down Under!



Over 100 CEOs & execs in attendance!



Across a wide range of sectors:



Human Resources



Supply Chain



Gaming



Mining



Hospitality



Security



Manufacturing

Auckland

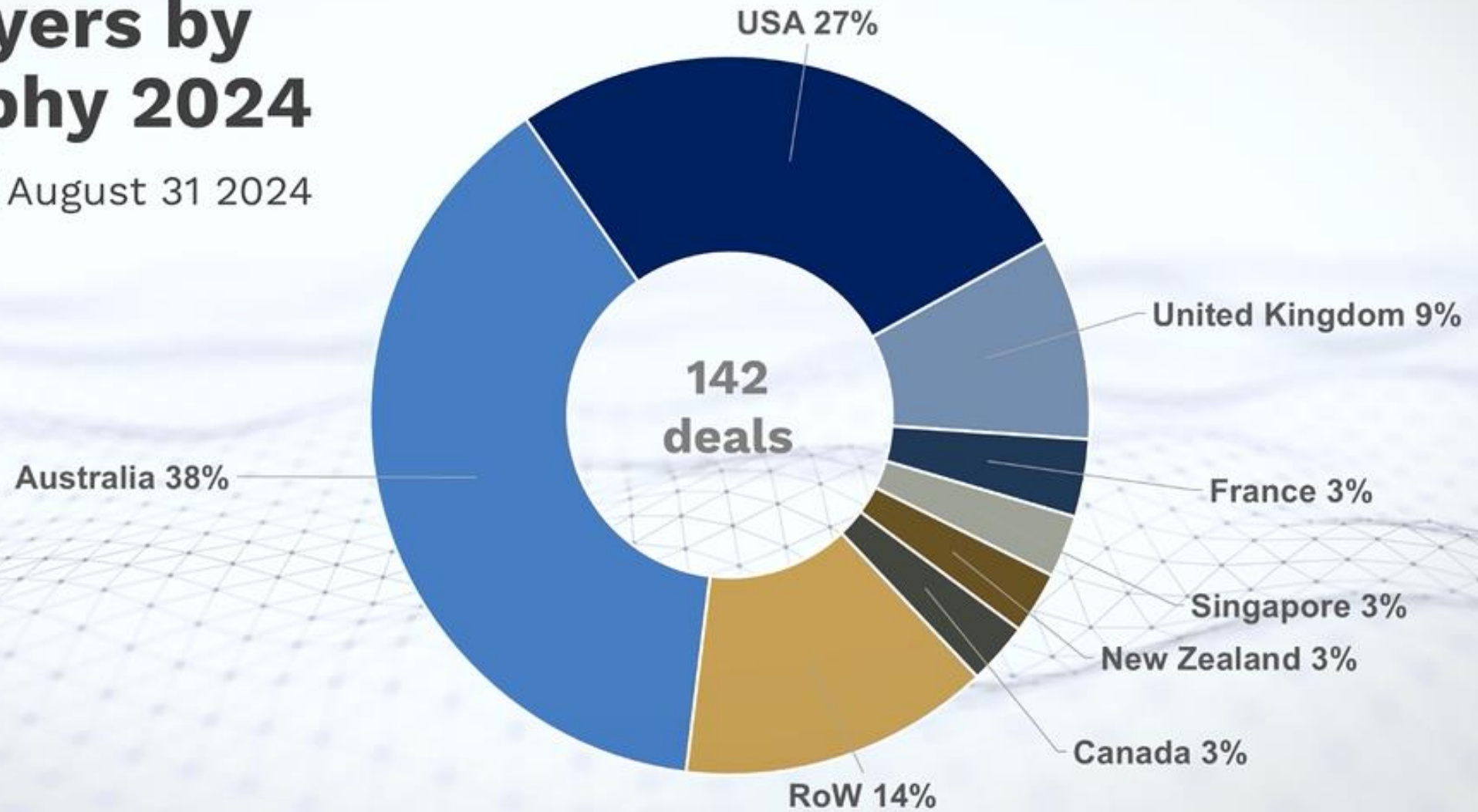
ANZ Tech M&A Deal Volume

Period ending August 31 2024



ANZ Buyers by Geography 2024

Period ending August 31 2024



CEO's Desk: Tech Treasures Down Under!





**If you don't get a satisfactory offer,
Corum will take you back to market.**

Corum's Hiatus Program

- Hit the pause button
- Make value enhancing adjustments based off market feedback
- Return to market with a refreshed story and updated buyer lists



It works!

CEO's Desk: Tech Treasures Down Under!



Corum's first ANZ transaction was a small company in Perth two decades ago!

CEO's Desk: Tech Treasures Down Under!



CEO's Desk: Tech Treasures Down Under!

CORUM
MERGERS & ACQUISITIONS



ANZ TECH EXITS Q4 2024 REPORT

To follow current Australia & New Zealand M&A trends please visit
www.anztechexits.com

CEO's Desk: Tech Treasures Down Under!



Global Tech ANZ

WFS EDUCATING TECHNOLOGY LEADERS

TECH MARKET SPOTLIGHTS

Next webcast:
Dec 11, 2024



MERGE BRIEFING



CORUM
SELLING UP
SELLING OUT

ANZ Tech Exits
M&A Trends and Insight for
Australia and New Zealand Tech Companies

REQUEST REPORT

please visit

CEO's Desk: Tech Treasures Down Under!

CORUM
MERGERS & ACQUISITIONS

Tech M&A Master Class

NOV. 12-14 | KUALA LUMPUR

DEC. 10-12 | BARCELONA

FEB. 25-27 | LAS VEGAS

Register at wfs.com

There's treasure down under!

Companies based in Australia and New Zealand are seeing **high valuations and strong buyer interest** which should continue into 2025.

CORUM

Event Report

October 2024

Presented By

Brenden Keene

Senior Marketing

Coordinator

Corum Group Ltd.



Please visit:

www.corumgroup.com/events

to find a Tech M&A event near you!

MERGE BRIEFING

Online in:

Stockholm – Oct. 17

Benelux – Nov. 7

Houston – Oct. 23

Minneapolis – Nov. 13

Buffalo – Nov. 5

Prague – Nov. 14

Santiago – Nov. 6



Online M&A Bootcamp

- Jakarta – Oct. 15**
- Salt Lake City – Oct. 16**
- East Bay – Oct. 17**
- Ho Chi Minh City – Oct. 22**
- Lisbon – Oct. 23**
- Silicon Valley – Oct. 24**
- Singapore – Oct. 29**
- Toronto – Oct. 29**
- Cincinnati – Oct. 30**
- Frankfurt – Oct. 31**
- Warsaw – Nov. 6**

WFS Event Report:
October 2024

WFS Content



World Financial Symposiums presents

Tech M&A Master Class

SEPT. 17-19 | LAS VEGAS

NOV. 12-14 | KUALA LUMPUR

DEC. 10-12 | BARCELONA

Register at wfs.com



30 OCTOBER 2024

**GROWTH & EXIT
STRATEGIES:
EUROPEAN TECH**

VIRTUAL CONFERENCE

WFS EDUCATING
TECHNOLOGY
LEADERS



*Thank you to our
sponsors*



CORUM
MERGERS & ACQUISITIONS

Platinum Sponsor

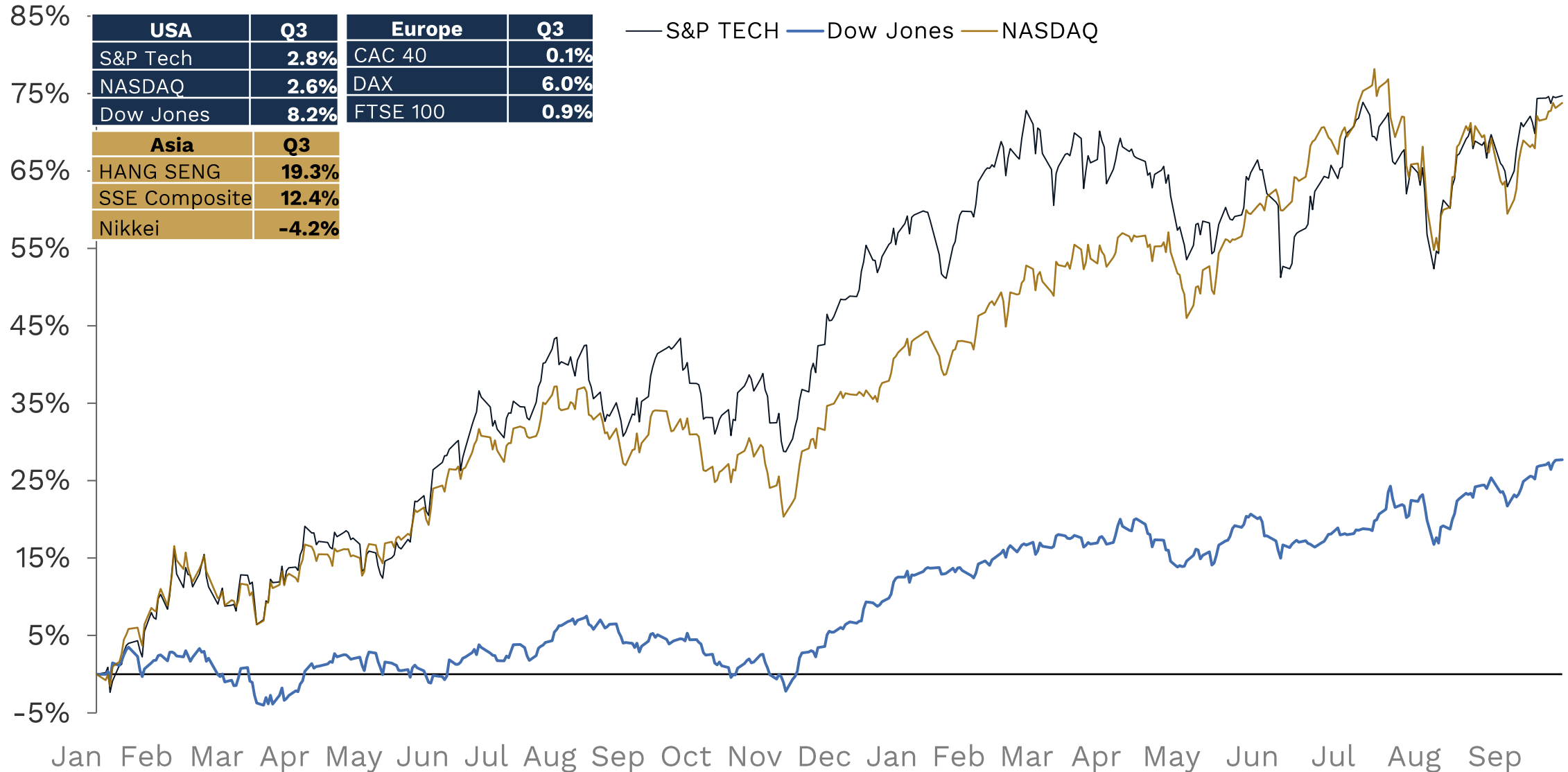
 **SOFTWARE
INVESTMENTS**

Event Sponsor

Tech M&A Research Report

Public Markets Jan 2023 – Sep 2024

% CHANGE



Market

Transactions

Mega Deals

Largest Deal

Q3 2024

1237

18

\$8.9B

Pipeline

Private Equity Platform Deals

VC-Backed Exits

Non-Tech Acquirers

Q3 2024

119

43

80

Attributes

Cross Border Transactions

Start-Up Acquisitions

Average Life of Target

Q3 2024

37%

28%

16 yrs

2024 Mega Deals (Jan-Sep)



VERTICAL
17 Deals – \$88B



INFRASTRUCTURE
12 Deals – \$48B



HORIZONTAL
7 Deals – \$26B



IT SERVICES
6 Deals – \$11B



CONSUMER
4 Deals – \$10B



INTERNET
3 Deals
\$6.8B

2024 Mega Deals (Jan-Sep)



SOLD TO → APOLLO

Seller: IGT (gaming and digital business) [United Kingdom]

Acquirer: Apollo Global [USA]

Transaction Value: \$4.1B

- Slot machine hardware & software



SOLD TO → APOLLO

Seller: Everi [USA]

Acquirer: Apollo Global [USA]

Transaction Value: \$1.2B (2.5x EV/Sales and 6.1x EV/EBITDA)

- Gaming systems holding company



CONSUMER
4 Deals – \$10B

2024 Mega Deals (Jan-Sep)



HORIZONTAL
7 Deals – \$26B



Redwood



VISTA
WARBURG PINCUS

Seller: Redwood Software [USA]

Acquirer: Vista Equity Partners/Warburg Pincus [USA]

Transaction Value: \$2.5B

- Workload automation software

2024 Mega Deals (Jan-Sep)



VERTICAL
17 Deals – \$88B



ENVESTNET

SOLD TO



BainCapital

Seller: Envestnet [USA]

Acquirer: Bain Capital [USA]

Transaction Value: \$4.5B (3.1x EV/Sales and 13.6x EV/EBITDA)

- Wealth & practice management software

2024 Mega Deals (Jan-Sep)



INFRASTRUCTURE
12 Deals – \$48B

iconectiv
ERICSSON

SOLD TO

K KOCH
EQUITY DEVELOPMENT

Seller: Iconectiv [Ericsson/Francisco Partners] [USA]

Acquirer: Koch Equity Development [Koch] [USA]

Transaction Value: \$1.0B

- Telecommunication network & OSS management software

2024 Mega Deals (Jan-Sep)



PropertyGuru



Seller: PropertyGuru [Singapore]

Acquirer: EQT [Sweden]

Transaction Value: \$1.1B at 8.1x EV/Sales

- Property listing website



INTERNET
3 Deals
\$6.8B

2024 Mega Deals (Jan-Sep)



IT SERVICES
6 Deals – \$11B

SEIDOR

SOLD TO

CARLYLE

Seller: Seidor [Spain]

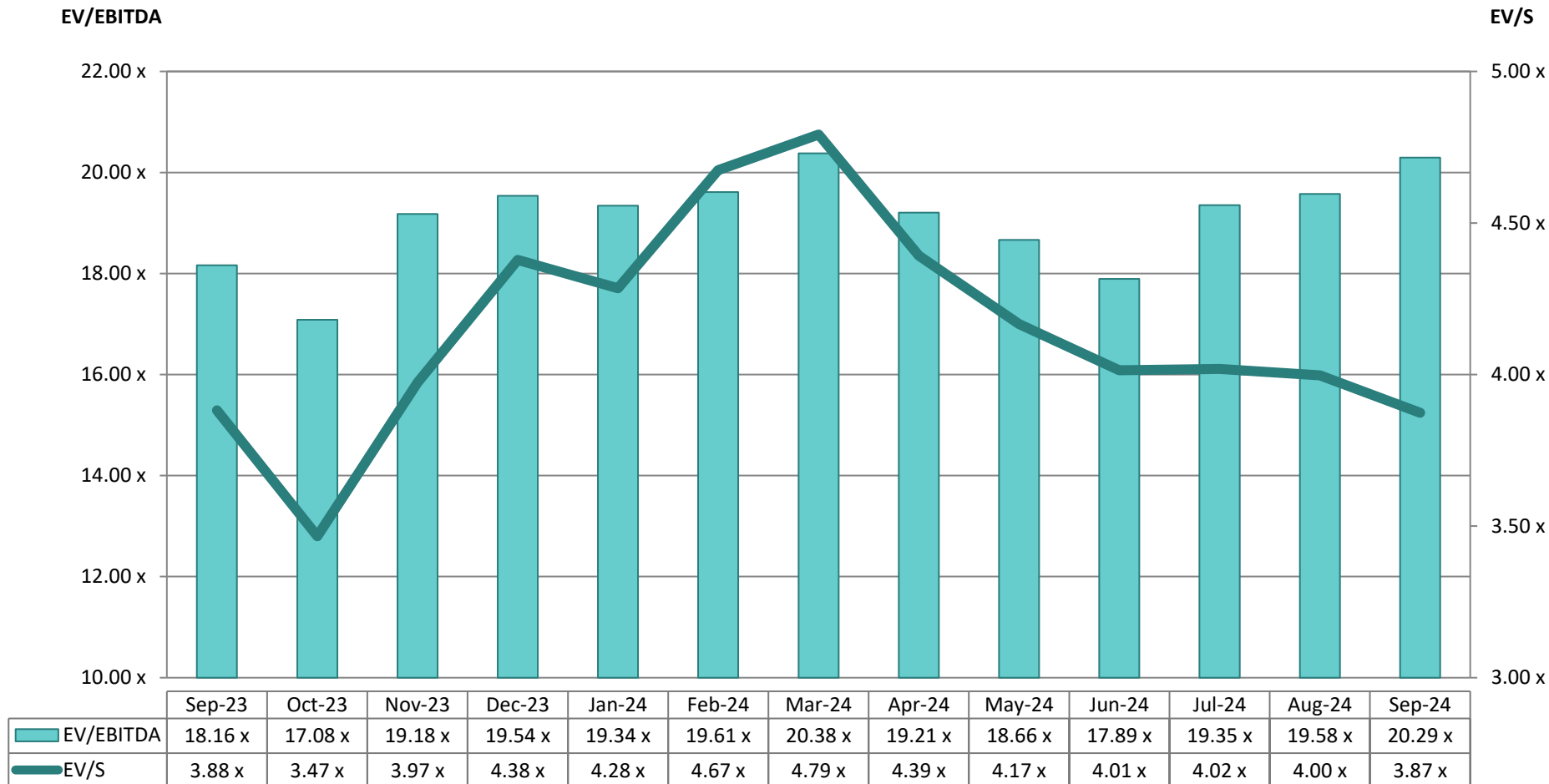
Acquirer: The Carlyle Group [USA]

Transaction Value: \$1.1B









- IT consulting & outsourcing services



Public Valuation Multiples





| Subsector | Sales | EBITDA | Examples | | |
|------------------------------|--------------|--------------|---|--|---|
| Business Intelligence | 3.60x | 15.2x | <i>MicroStrategy</i> | VERINT | NICE [®] |
| Marketing | 3.87x | 22.1x | WIX |  zoominfo | HubSpot |
| ERP | 5.83x | 27.5x | ORACLE [®] |  PEGA [®] | SAP |
| Human Resources | 5.48x | 20.3x |  RECRUIT | PAYCHEX [®] | workday |
| SCM | 13.1x | 46.9x |  AMERICAN SOFTWARE | DESCARTES [™] |  Manhattan Associates |
| Payments | 2.59x | 14.8x | ACI <small>UNIVERSAL PAYMENTS.</small> |  PayPal |  Square |
| Other | 2.46x | 11.8x | ttec [™] | opentext [™] |  |

2024 Mega Deals (Jan-Sep)



HORIZONTAL
7 Deals – \$26B



smartsheet

SOLD TO



Blackstone
VISTA

Seller: Smartsheet [USA]

Acquirer: Blackstone/Vista Equity Partners [USA]

Transaction Value: \$8.4B at 7.4x EV/Sales
- Enterprise work management software



ERP

| Seller | Acquirer | Seller Country | Description |
|---|---|----------------|--------------------------------------|
|  Khameleon |  LGP LEONARD GREEN & PARTNERS | USA | AI-based ERP software |
|  FREEMATICA |  | Spain | ERP software for staffing |
|  M&I SYSTEMS GROUP |  | Serbia | Intelligent ERP platform |
|  SAWAYO |  WARBURG PINCUS | Germany | Business management software |
|  SSG Insight |  | United Kingdom | Enterprise asset management software |



Human Resources

| Seller | Acquirer | Seller Country | Description |
|--------|----------|----------------|---|
| | | Czech Republic | Recruitment & training software |
| | | USA | Hiring management software |
| | | Denmark | Employment & staffing software |
| | | Netherlands | Frontline workforce training software |
| | | Estonia | AI-based talent assessment & development software |
| | | USA | HR & emergency communication management software |





HORIZONTAL
7 Deals – \$26B

Teads



 **Outbrain**

Seller: Teads [Luxembourg]









Acquirer: Outbrain [USA]

Transaction Value: \$1B

- Programmatic digital advertising software

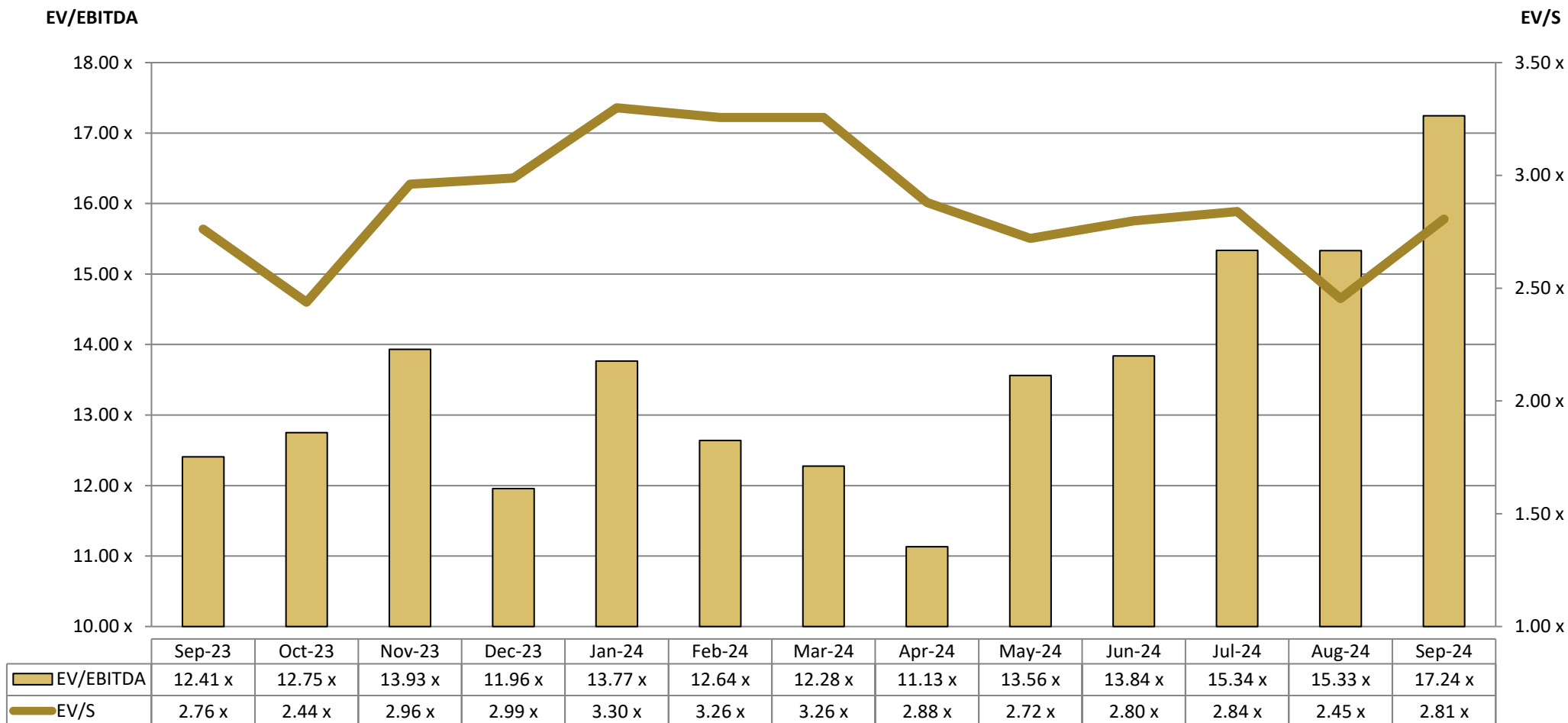


AI-Based AdTech







| Seller | Acquirer | Seller Country | Description |
|---|--|----------------|--|
|  memorable |  reddit | USA | Creative intelligence & campaign planning software |
|  ChannelMix | IN MARKET | Canada | Marketing analytics software |
|  INSIKT.ai | Logically. | Spain | Social network & advertising intelligence software |
|  SENSEGO |  mobsuccess | France | Advertising automation & optimization software |
|  Landvault |  INFINITE REALITY | United Kingdom | VR & AR advertising placement software |



Public Valuation Multiples





| Subsector | Sales | EBITDA | Examples | | |
|---------------|-------|--------|---|---|---|
| Casual Gaming | 2.37x | 13.5x | EMBRACER ⁺ GROUP |  |  |
| Core Gaming | 4.62x | 16.4x |  | Electronic Arts |  |
| Other | 4.02x | 34.9x |  | NETFLIX |  |



Video Games

Seller

Acquirer

**Seller
Country**

Description



USA

Fighting videogames developer



Canada

PC & console videogames developer



Colombia

Videogames studio



Japan

Horror-based videogames developer



USA

PC war-related videogames developer



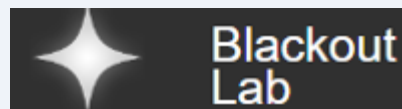
Mobile Games



Seller: Fusebox [United Kingdom]
Acquirer: Nazara [India]
Transaction Value: \$27.2M
- IP-based mobile gaming studio



Seller: SuperPlay [Israel]
Acquirer: Playtika [Israel]
Transaction Value: \$700M at 2.6x EV/Sales
- iOS and Android mobile games developer



Seller: Blackout [Spain]
Acquirer: 52 Entertainment [France]
- Mobile games development studio



Fitness & Wellness Apps



Seller: MapMyFitness [Under Armour] [USA]

Acquirer: Outside [USA]

- Mobile fitness tracking application

ErgBot



Power Ten Metrics

Seller: ErgBot [USA]

Acquirer: Power Ten Metrics [USA]

- Fitness mobile application

myclubs



URBAN SPORTS CLUB

Seller: myClubs [Austria]

Acquirer: Urban Sports Club [Germany]

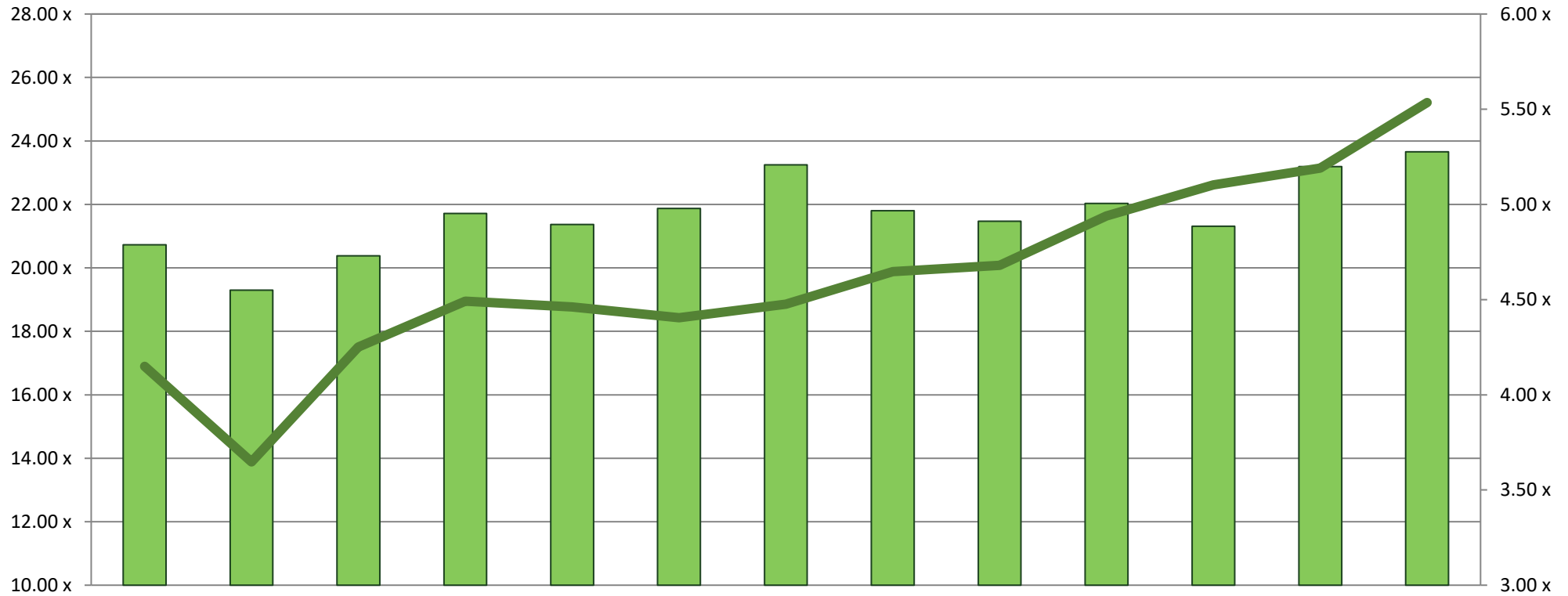
- Sports & wellness mobile application



Public Valuation Multiples

























EV/EBITDA

EV/S



| | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| EV/EBITDA | 20.73 x | 19.29 x | 20.38 x | 21.71 x | 21.37 x | 21.87 x | 23.24 x | 21.80 x | 21.47 x | 22.03 x | 21.31 x | 23.19 x | 23.66 x |
| EV/S | 4.15 x | 3.65 x | 4.25 x | 4.49 x | 4.46 x | 4.40 x | 4.48 x | 4.65 x | 4.68 x | 4.94 x | 5.10 x | 5.19 x | 5.54 x |



| Subsector | Sales | EBITDA | Examples |
|---------------------------------|--------------|--------------|---|
| A/E/C | 11.9x | 44.5x |  AUTODESK  DASSAULT SYSTEMES  |
| Automotive | 3.51x | 22.6x |  AutoTrader  TrueCar  |
| Energy & Environment | 3.13x | 19.4x |  Landis+Gyr  Itron  |
| Financial Services | 5.59x | 22.3x |  Broadridge  SS&C  |
| Government | 2.25x | 15.5x |  NORTHROP GRUMMAN  L3HARRIS  |
| Healthcare | 1.24x | 30.3x |  veradigm  HealthCatalyst  |
| Real Estate | 6.61x | N/A |  REDFIN  CoStarGroup  |
| Other | 4.66x | 17.2x |  AMADEUS  Rockwell Automation  |

2024 Mega Deals (Jan-Sep)



VERTICAL
17 Deals – \$88B



SOLD TO



TOWERBROOK



Seller: R1 [USA]











Acquirer: TowerBrook/Clayton Dubilier & Rice [USA]

Transaction Value: \$8.9B

- RCM services & appointment scheduling software



HealthTech

| Seller | Acquirer | Seller Country | Description |
|--|---|----------------|--|
|  |  | USA | Healthcare revenue cycle management software |
|  |  | USA | Healthcare document management software |
|  |  | USA | Healthcare data analytics software |
|  |  | USA | Medical language interpretation software |
|  |  | USA | AI-based virtual nursing assistant software |

2024 Mega Deals (Jan-Sep)



VERTICAL
17 Deals – \$88B

NCR VOYIX
digital banking business

SOLD TO



VERITAS
CAPITAL

Seller: NCR Voyix (digital banking business) [USA]

Acquirer: Veritas Capital [USA]

Transaction Value: \$2.5B at 4.2x EV/Sales

- Banking software



FinTech



Seller: AdviserAsset [United Kingdom]
Acquirer: Fe fundinfo [United Kingdom]
- Financial charge & benefits analysis software

SOLD TO



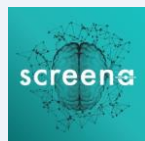
Seller: Espresso [Brazil]
Acquirer: Sankhya [Brazil]
- Corporate expense management software

SOLD TO



Seller: Pluto Capital [USA]
Acquirer: Robinhood Markets [USA]
- AI-powered investment research tool

SOLD TO



Seller: Screena [Luxemburg]
Acquirer: ThetaRay [Israel]
- Name matching & ID verification software for businesses in the financial sector

SOLD TO



2024 Mega Deals (Jan-Sep)



VERTICAL
17 Deals – \$88B



INSTRUCTURE

SOLD TO



KKR

Seller: Instructure [Thoma Bravo] [USA]













Acquirer: KKR [USA]

Transaction Value: \$4.8B (6.9x EV/Sales and 16.9x EV/EBITDA)

- Learning management & employee training software

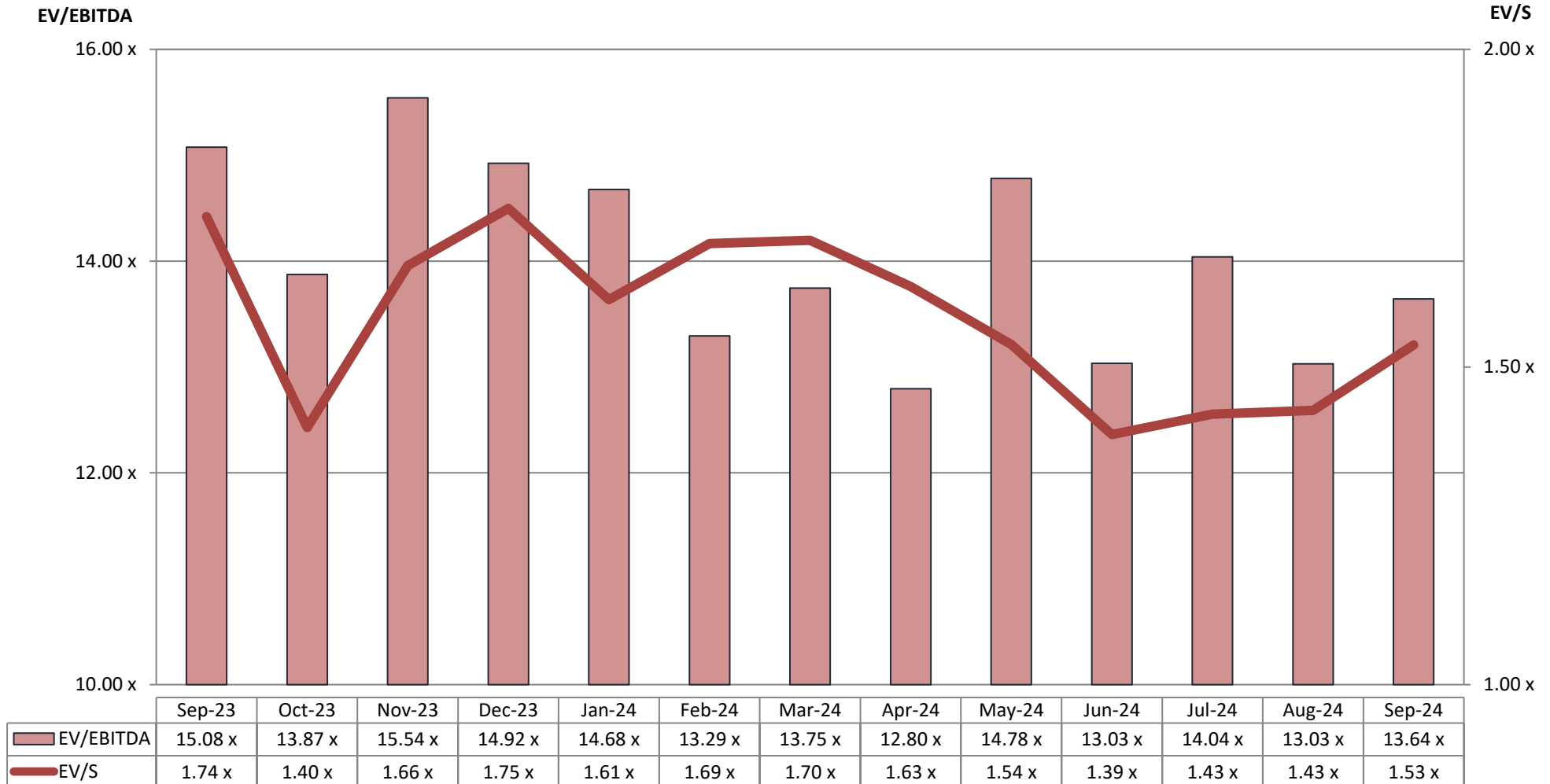


EdTech












| Seller | Acquirer | Seller Country | Description |
|--|---|----------------|--|
|  |  | USA | Digital learning software |
|  |  | USA | Experiential learning & collaboration software |
|  |  | USA | Education management software |
|  |  | New Zealand | Classroom engagement software |
|  |  | Austria | Educational communication & administrative task management |
|  |  | USA | Student retention & predictive analytics software |



Public Valuation Multiples





| Subsector | Sales | EBITDA | Examples |
|-----------------------------|--------------|--------------|---|
| Diversified Internet | 2.20x | 13.5x | Alphabet   |
| eCommerce | 0.97x | 16.1x |    |
| Social Network | 1.36x | 4.70x |    |
| Travel & Leisure | 3.93x | 15.0x |    |

2024 Mega Deals (Jan-Sep)

SNAITECH
playtech
SOURCE OF SUCCESS

SOLD TO

FlutterTM

Seller: Snaitech [Playtech] [Italy]

Acquirer: Flutter [Ireland]

Transaction Value: \$2.6B

- Online gaming & gambling services



INTERNET
3 Deals
\$6.8B



Sports Betting



FlutterTM

Seller: NSX Group [Brazil]
Acquirer: Flutter Entertainment [Ireland]
Transaction Value: \$350M
- Online sports betting website

simplebetTM



Seller: SimpleBet [USA]
Acquirer: DraftKings [USA]
- Online sports betting

apuesta total



CIRSA

Seller: Apuesta Total [Peru]
Acquirer: Grupo CIRSA [Spain]
- Online sports betting



Ticketing



Seller: Wasteland Entertainment/TicketNew [Paytm] [India]

Acquirer: Zomato [India]

- Online grocery delivery services



Seller: Quicket [South Africa]

Acquirer: Ticketmaster [USA]

- Online ticketing website



Communities



Seller: MesAieux.com [Canada]

Acquirer: MyHeritage [Francisco Partners] [Israel]

- Genealogy social networking website



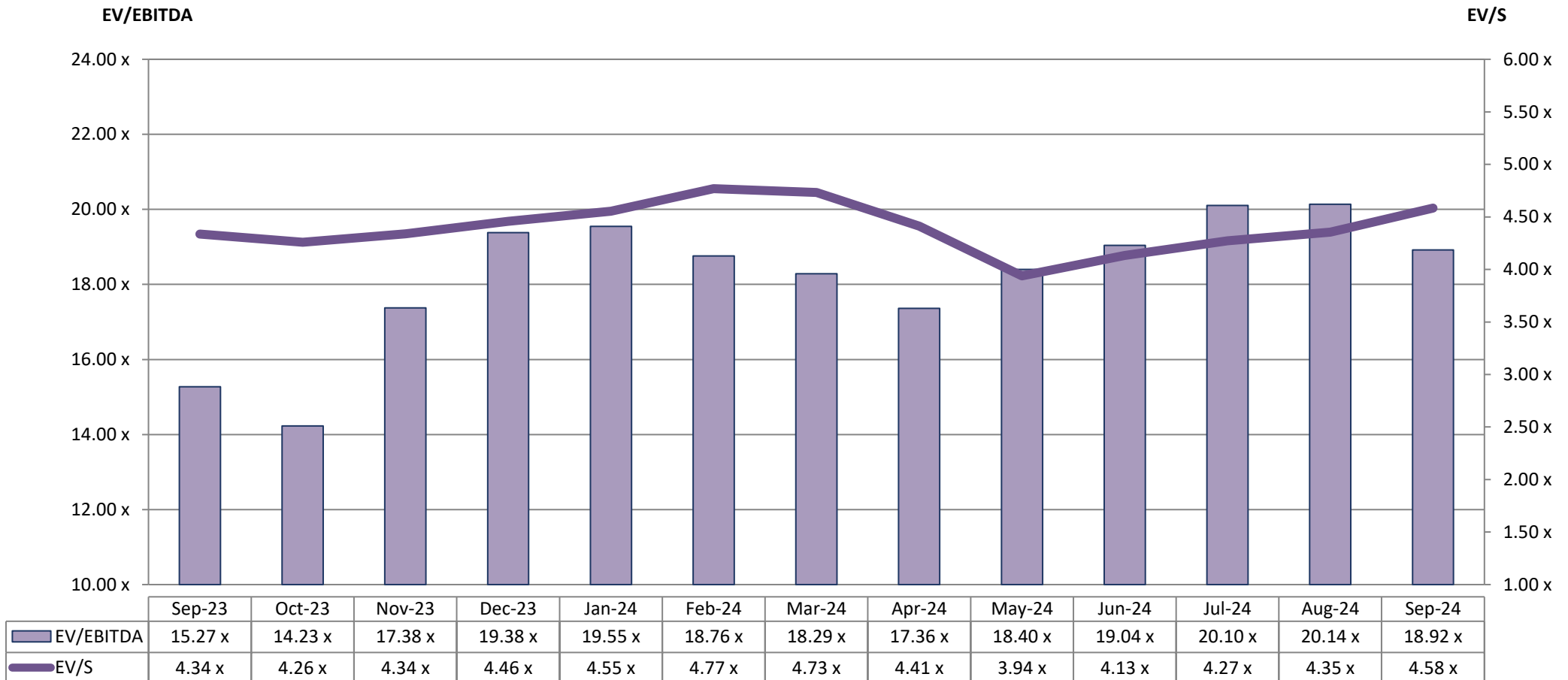
Seller: neonVest [USA]

Acquirer: AI Turbo [USA]














- Online startup networking website



Public Valuation Multiples





| Subsector | Sales | EBITDA | | Examples |
|------------------------------|--------------|--------------|--|---|
| Application Lifecycle | 4.92x | 14.2x |  ATLASSIAN |  unity  Progress® |
| Endpoint | 5.82x | 21.6x |  Digital Ocean |  Opera NUTANIX |
| Network Management | 2.50x | 24.7x |  |  CISCO JUNIPER NETWORKS |
| Security | 6.87x | 18.3x |  paloalto NETWORKS |  CHECK POINT™ FORTINET® |
| Storage & Hosting | 4.89x | 34.4x |  |  COMMVault™ NetApp |
| Other | 3.35x | 30.9x |  Akamai | appian  |

2024 Mega Deals (Jan-Sep)



INFRASTRUCTURE
12 Deals – \$48B

 Recorded Future®

SOLD TO



mastercard

Seller: Recorded Future [Insight Partners] [USA]

Acquirer: Mastercard [USA]

Transaction Value: \$2.7B at 7.8x EV/Sales

- Threat intelligence software



Threat Intelligence

Cyberint



Seller: Cyberint [Israel]
Acquirer: Check Point [Israel]
Transaction Value: reported \$200M at 8.0x EV/Sales
- Threat intelligence software

SecAlliance



Seller: SecAlliance [United Kingdom]
Acquirer: CSIS [Denmark]
- Cyber threat intelligence software

 **code42**



mimecast

Seller: Code42 Software [USA]
Acquirer: Mimecast [United Kingdom]
- Insider threat management & data loss prevention software

 **ONSOLVE**



Seller: OnSolve [USA]
Acquirer: Crisis24 [USA]
- Critical event management & threat detection software

2024 Mega Deals (Jan-Sep)



INFRASTRUCTURE
12 Deals – \$48B



Seller: Own [Israel]
Acquirer: Salesforce [USA]
Transaction Value: \$1.9B at 8.4x EV/Sales
- Data protection & management software



Data Protection

Axcient



CONNECTWISE

Seller: Axcient [USA]

Acquirer: ConnectWise [USA]

- Data protection & disaster recovery software



CLUMIO



Commvault

Seller: Clumio [USA]

Acquirer: Commvault [USA]

Transaction Value: \$47M

- Data protection software

Acronis



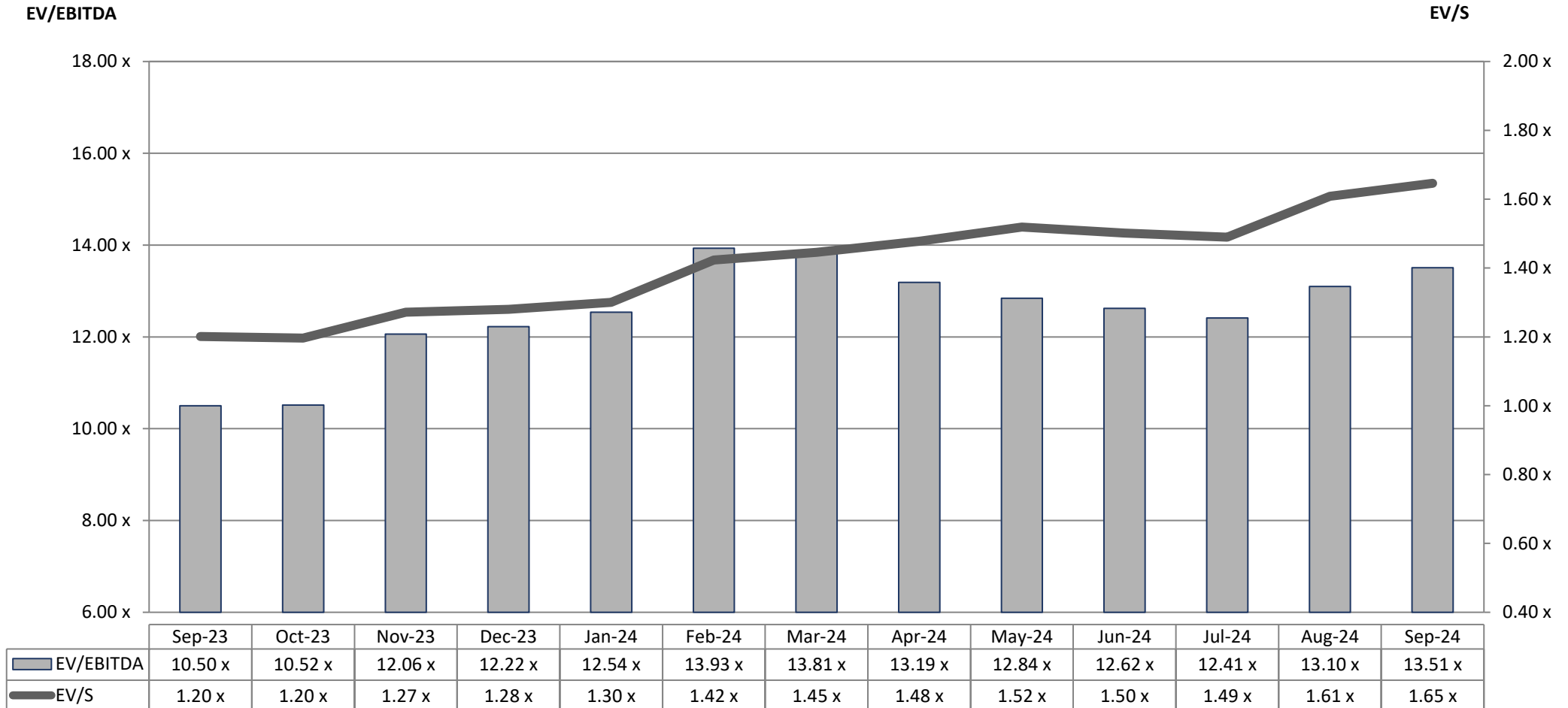
Seller: Acronis [Switzerland]

Acquirer: EQT [Sweden]

- Storage backup & recovery software

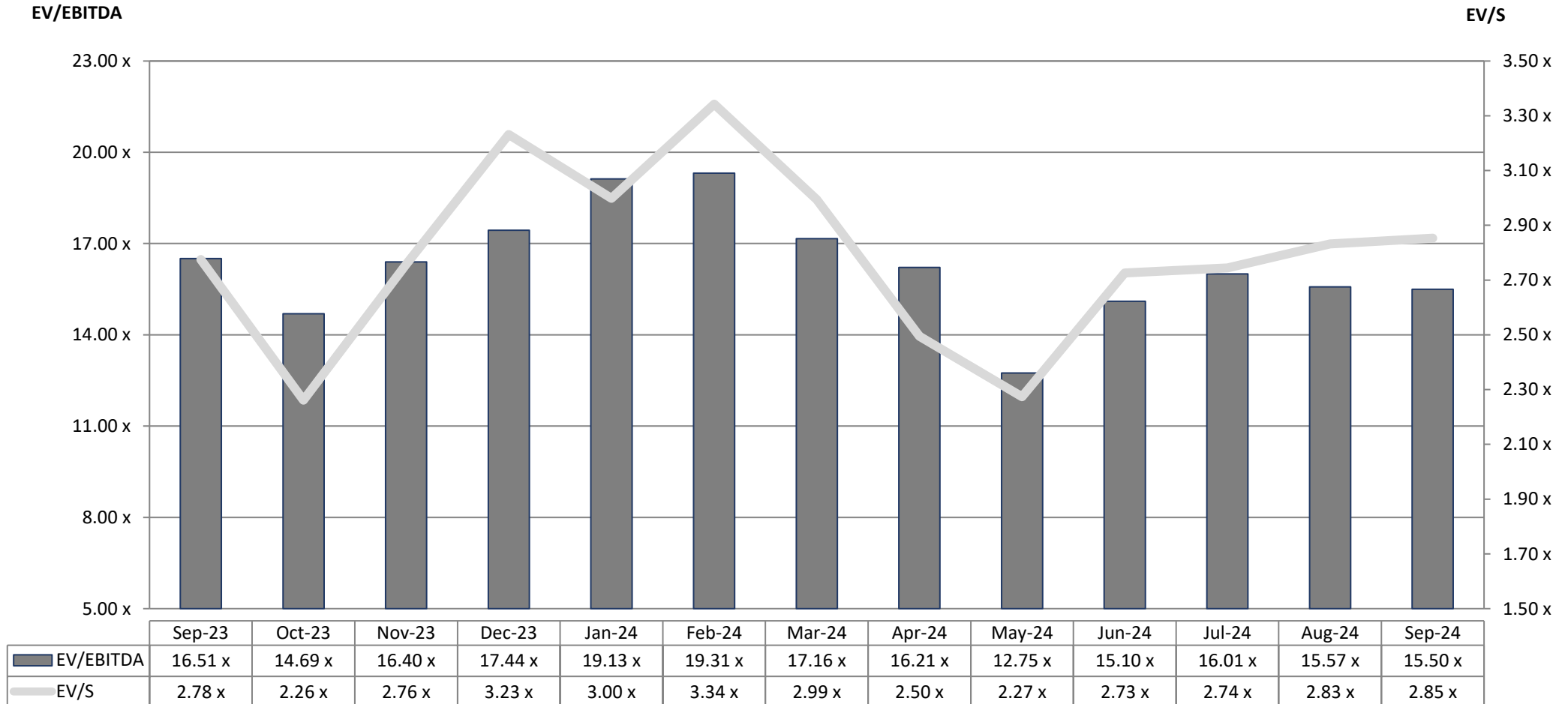


Public Valuation Multiples





Public Valuation Multiples



2024 Mega Deals (Jan-Sep)



IT SERVICES
6 Deals – \$11B



Seller: Keywords Studios [Ireland]

Acquirer: EQT [Sweden]

Transaction Value: \$2.8B (3.2x EV/Sales and 19.1x EV/EBITDA)
- Outsourced videogame testing & development



Videogame-Related Services



SOLD TO



Seller: Wushu Studios [United Kingdom]
Acquirer: Keywords Studios [EQT] [Ireland]
- Game development studio for publishers and developers



Multicraft

SOLD TO



Seller: Multicraft [Switzerland]
Acquirer: Nitrado [Germany]
- Minecraft server hosting services



TH/RD K/ND

SOLD TO



Seller: Third Kind [United Kingdom]
Acquirer: Virtuos [Singapore]
- Xbox and PC videogames development services



SOLD TO

PTW

Seller: Ghostpunch Games [USA]
Acquirer: PTW [USA]
Transaction Value: \$13M
- Videogame co-development studio



Software Development

| Seller | Acquirer | Seller Country | Description |
|--|---|----------------|--|
|  |  | USA | Space systems integration & software development |
|  |  | Finland | AI software development & integration services |
|  |  | South Africa | Custom software development services |
|  |  | South Korea | Mobile development services |
|  |  | Poland | Custom software development services |



Focused Systems Integrators

| Seller | Acquirer | Seller Country | Description |
|---|---|----------------|--|
|  |  | USA | ServiceNow-partnered systems integrator |
|  |  | Denmark | Microsoft cloud services provider |
|  |  | Saudi Arabia | SAP-partnered systems integrator |
|  |  | India | Salesforce-partnered IT consultancy and integrator |
|  |  | Netherlands | Autodesk-partnered systems integrator |
|  |  | Jordan | Odoo-partnered ERP systems integrator |

2024 Mega Deals (Jan-Sep)



IT SERVICES
6 Deals – \$11B

SOLD TO



Seller: Thoughtworks [USA]

Acquirer: Apax Partners [United Kingdom]

Transaction Value: \$1.8B

- IT consultancy & software engineering services



Amber Stoner
Vice President



**Artem
Mamaiev**
Associate



**Anna
Lebedieva**
Senior Analyst



Elena Serikova
Data Researcher



Callum Turcan
Research Writer

Tech M&A Research Report



Complete global market report
available upon request
info@corumgroup.com

On demand webcast will be
available at:
www.corumgroup.com

**Retrades are
the Bane of
M&A Deals.**

retrade

re-trade (verb)

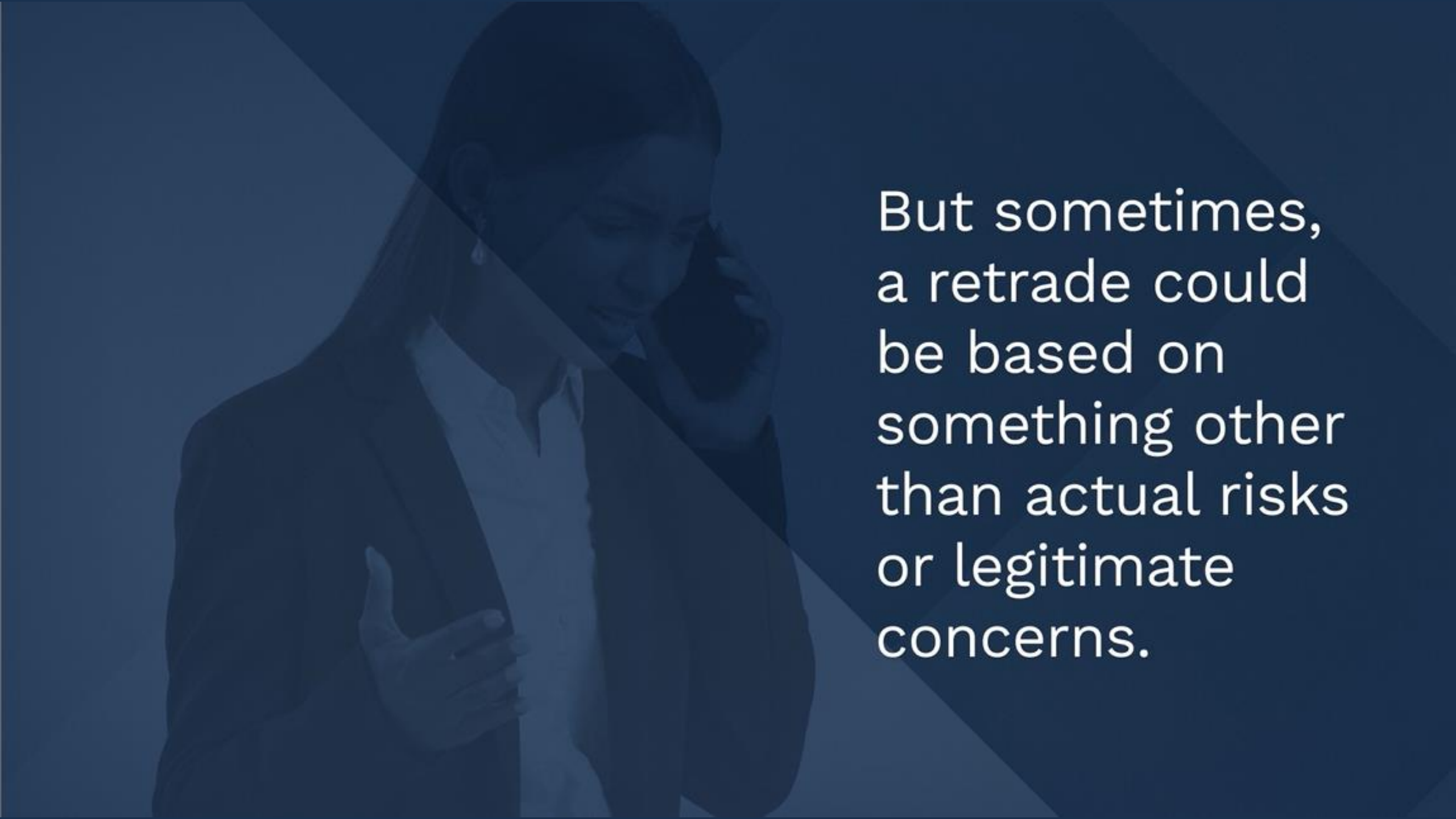
The practice of a buyer lowering the purchase price of a company or changing the terms of the deal after initially agreeing to a Letter of Intent (LOI) to a higher purchase price or different terms.

Blindsided.

Even when everything seems to be going well during the M&A process, you can get blindsided by a buyer who wants to retrade the deal. ■

When It Happens:

- During the due diligence process
- Dig into data: Financial, legal, operational, and strategic
- Buyer identifies something that they feel puts them at risk or doesn't match what the seller initially presented, they may request a retrade.



But sometimes,
a retrade could
be based on
something other
than actual risks
or legitimate
concerns.

**Six things
you can do to
protect yourself
from a retrade. |**

1. Be Prepared

- Accounting records are correct and in order
- Your forecasts follow Generally Accepted Accounting Principles (GAAP)
- Understand your churn

2. Be Proactive

- Uncovering issues before the buyer does
- Common snags:
 - quality of earnings
 - failure to achieve forecasted revenue
 - unexpected legal or tax issues
 - hidden expenses

3. Be Transparent

- Ensure prospective buyers are aware of issues before the LOI
- Being up-front is better than having the buyer uncover them during due diligence

4. Avoid Habitual Retraders

- Some buyers have a reputation for doing retrades:
 - Aim to gain exclusivity through an LOI
 - Enter the M&A process to gain intelligence

5. Keep Other Prospective Buyers Engaged


- Let other bidders know that you may reengage with them if the deal falls through
- You can terminate a deal before it closes and pursue the deal with one of the other bidders

6. Limit Retrades Through the LOI

- Stipulate in the LOI
- Negotiate a provision that penalizes the buyer if they retrade
- Limit the period of exclusivity

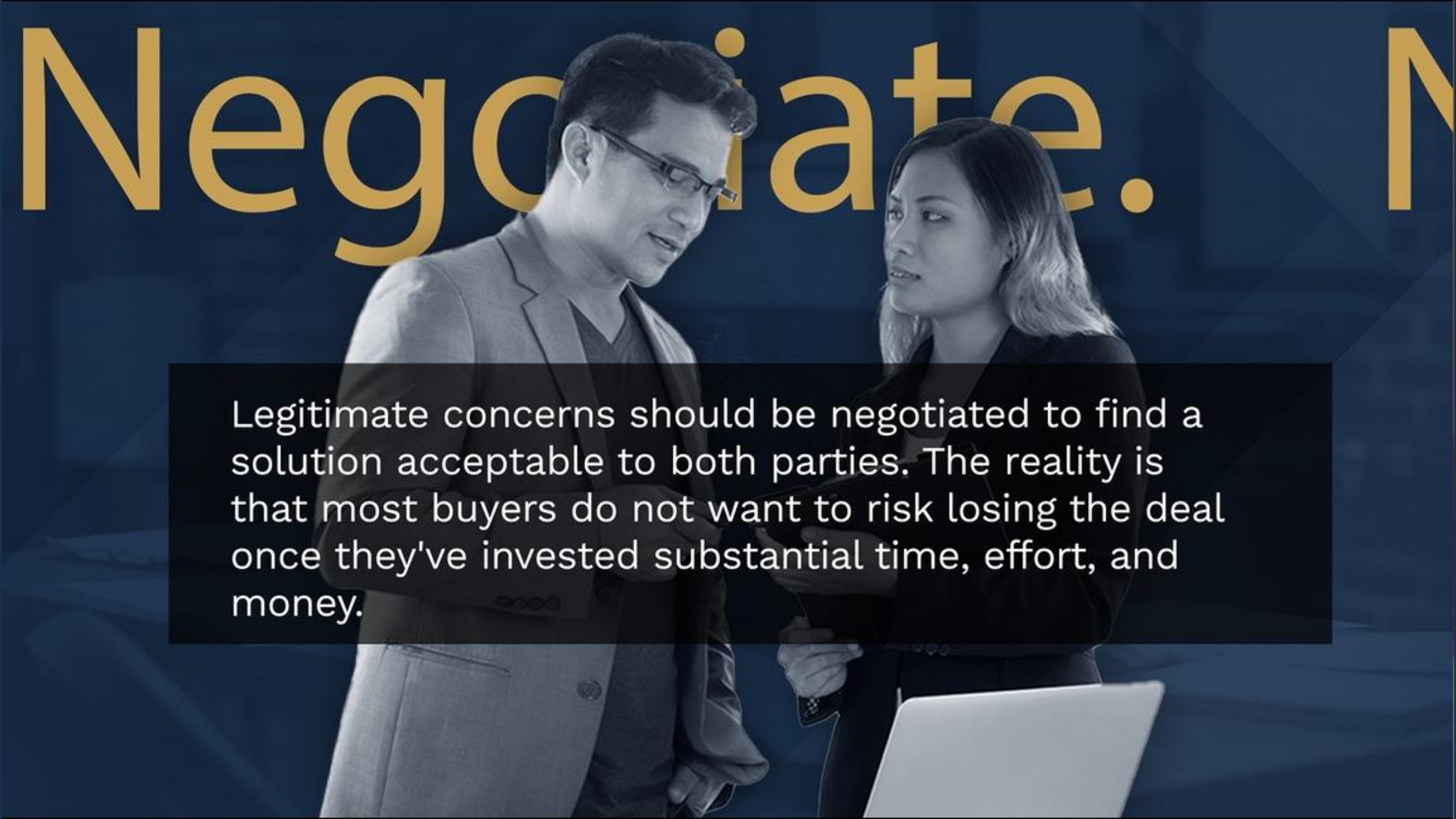
So, what do you do when a buyer wants to retrade the deal?

cept Accept.

A man and a woman in business attire are shaking hands. The man is on the left, wearing a grey suit and a white shirt. The woman is on the right, wearing a dark suit. They are both smiling and looking at each other. The background is a dark blue with faint, light blue architectural lines.

Even though the retrade lowers the purchase price, the transaction value is above your acceptable threshold. ■

Negotiate. N

A man and a woman in business attire are shown in a meeting. The man, wearing glasses and a suit, is looking at a document held by the woman. They are standing in front of a laptop. The background is a dark blue wall with a geometric pattern.

Legitimate concerns should be negotiated to find a solution acceptable to both parties. The reality is that most buyers do not want to risk losing the deal once they've invested substantial time, effort, and money.

Termination Terms



If the reasons for the retrade are unreasonable, or if negotiation fails to come to an acceptable solution, you can terminate the deal. It is better to kill a deal than accept a retrade that can cost you millions of dollars or one that saddles you with onerous terms.



Having a
Trusted Advisor

like

CORUM

is **ESSENTIAL**

A competent, experienced advisor can also be an effective intermediary between you and the buyer when issues arise, helping alleviate buyer concerns and possible retrade of your deal.

World Financial Symposiums presents

Tech M&A Master Class

NOV. 12-14 | KUALA LUMPUR

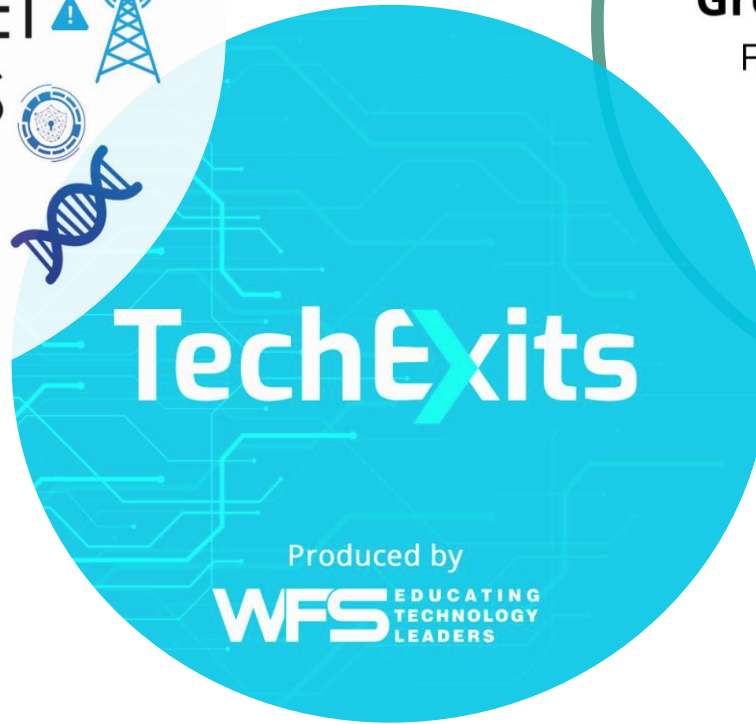
DEC. 10-12 | BARCELONA

FEB. 25-27 | LAS VEGAS

Register at wfs.com



Webcasts



Podcasts



Conferences

After the Deal – Celebration



www.CorumGroup.com

CORUM

Thank you!