



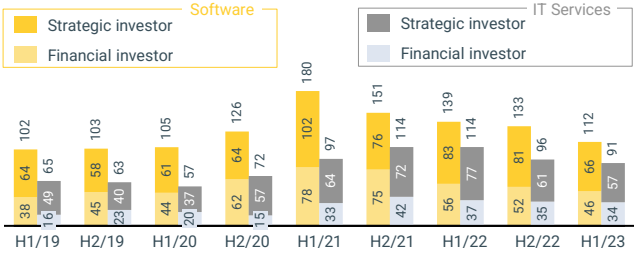
ANALYSIS OF THE IT SERVICES AND SOFTWARE MARKET

In an era of ubiquitous digital transformation, the spotlight on the IT services and software market is intensifying. This is evident in a sector characterized by numerous innovation drivers and highly scalable business models, whose growth and reach are currently only constrained by the persistent shortage of skilled professionals.

DEAL STATISTICS FOR IT SERVICES AND SOFTWARE (GER)



Number of deals



➤ Despite a significant decline in (publicly traded) valuations in 2022 compared to the previous year by approximately 30% (see the chart below), the decrease in the number of transactions was less pronounced at 17.8% and 0.5% in the software and IT services sectors, respectively (see the chart on the left).

➤ The significant valuation adjustment was primarily influenced by a downturn in economic and growth prospects, as well as the initiated interest rate reversal.

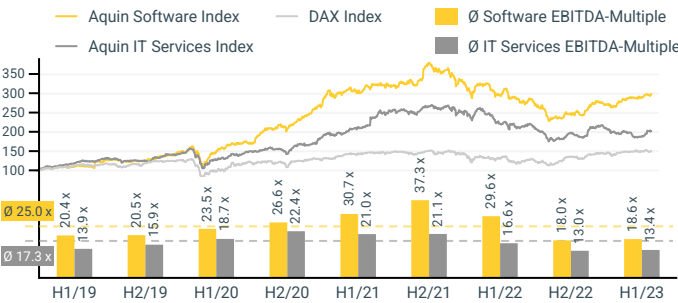
➤ In 2023, it appears that this fundamental situation – with relatively constant M&A activity at a pre-COVID valuation level – has not changed much.

➤ Both strategic and financial investors continue to be acquisitive, making the evaluation of potential M&A options (buy or sell side) essential for every company.

➤ The focus is increasingly shifting towards the short- to medium-term profitability of companies and the proof of concept.



Valuation of the IT services and software companies



Source: Capital IQ, Aquin research

Our perspective on the IT services and software market (GER)

Revenue in mio. €	Σ 89.478	IT Services	Enterprise Software	Vertical Software	System Software
> 100	99				
< 100	141				
< 50	308				
< 25	10,231				
< 1	78,699	BASIS: Small businesses shape the ICT landscape			

Number of companies
Source: Aquin research, bitkom

➤ The predominantly small and medium-sized business-oriented software and IT services market in Germany has a market volume of approximately 90 billion EUR, with annual growth rates of 10% in the software and 5% in the IT services sector.

➤ In addition to a few large platform companies, numerous specialized niche providers have established themselves.



Please scan the QR code for more informations.

EXPERT TEAM

Our software and IT team comprises both financial specialists and seasoned industry experts. This enables us to offer the essence of value-creating M&A advisory: excellent expertise in process and negotiation management, a profound understanding of the IT services and software industry, and direct access to investors and decision-makers.

Industry expertise



Gerhard Schempp

- > Former Chairman ESG GmbH
- > 40+ years in the IT and software services industry



Hans-Peter Metzler

- > Founder NewLogic AG
- > Numerous supervisory board and advisory roles

Industry and M&A expertise



Thomas Grauvogl

- > Managing Director
- > Over 10 years of consulting experience in strategy and M&A



Philipp Neumann

- > Principal
- > 6+ years of M&A experience, incl. software and lighting sectors



SELECTED AQUIN REFERENCES



SELL SIDE | IoT

Aquin advises TVILIGHT (NLD)
at the entry of OSRAM (GER)



Through its participation in Twilight, Osram responds to the increasing demand for IoT-enabled, energy-efficient, and intelligently interconnected lighting and Smart City solutions powered by multiservice software platforms.

SELL SIDE | AI (MEDTECH)

Aquin advises FotoFinder Systems (GER)
on the sale to EMZ Partners (GER/FRA)



EMZ Partners acquires a majority stake in FotoFinder Systems GmbH. They combine their proprietary AI-based software with world-leading technology for 'Automated Total Body Mapping'.

SELL SIDE | AUTOMOTIVE

Aquin advises designLED (UK)
on the sale to Faurecia (FRA)



Faurecia expands its ecosystem of display technologies with the extensive patent portfolio and advanced modeling and simulation capabilities that designLED brings to the table.

Pure software exposure

Let's schedule an initial, non-binding meeting to discuss your strategic and M&A options.

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Aquin is an M&A advisory firm specializing in privately-owned middle-market companies. Aquin provides corporate finance solutions related to business succession, growth-related capital raising, spin-offs, acquisitions, and corporate financing.

