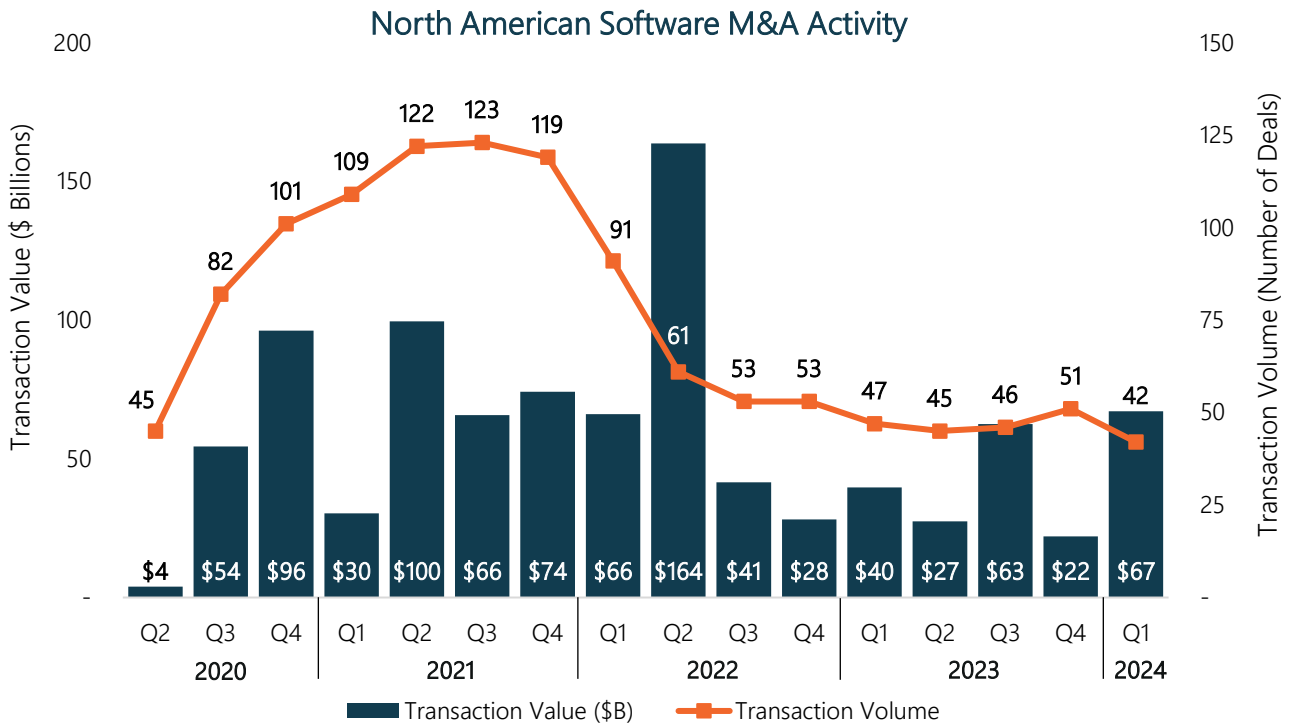


# Technology

Quarterly Update | Q1 2024





Source: S&P Capital IQ. Data as of March 31, 2024.  
 All figures are in CAD unless otherwise stated.  
 Transaction value is only inclusive of total transaction values which have been disclosed within Capital IQ.  
 Technology includes companies under Capital IQ categories: Software (Application Software and Systems Software).

<b>Q1 Transactions</b> <b>42</b> (-17.6% vs. Q4 2023)	<b>Q1 Transaction Value</b> <b>\$67 billion</b> (204.8% vs. Q4 2023)	<b>2024 Transactions</b> <b>42</b> (-10.6% vs. Q1 2023)	<b>2024 Transaction Value</b> <b>\$67 billion</b> (69.4% vs. Q1 2023)
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### M&A Market Update – Q1 2024

- In Q1 2024, North American software transaction volume fell to 42 transactions, while the transaction value rose to \$67 billion.
- Similar to Q3 2023, one transaction significantly contributed to the growth in transaction value in Q1 2024.<sup>1</sup> While transaction value increased to \$67 billion during this quarter, the increase is primarily attributable to the \$45 billion acquisition of ANSYS Inc. by Synopsys Inc. Without this transaction, the transaction value would have been consistent with the previous quarter at \$22 billion.
- There's a growing potential for increased M&A activity within the North American technology sector throughout the remainder of 2024 as the economic outlook begins to stabilize with decreasing inflation rates (refer to illustrative macroeconomic indicators on page 7).<sup>2</sup>
- In conjunction with the stabilization of the economy, it's worth noting that financial buyers (such as private equity firms and their platform investments) are currently holding record levels of dry powder, totaling \$2.60 trillion in available capital (as of March 2024).<sup>3</sup> Growing pressures from Limited Partners to deploy capital and realize returns may drive further M&A deal activity.

Source: S&P Capital IQ, Bank of Canada, data as of March 31, 2024.  
 1. The \$63B transaction value in Q3 2023 was due to a \$43 billion acquisition of Splunk Inc. by Cisco Systems Inc. Without this transaction, the transaction value was \$20 billion.  
 2. "Strong M&A Market Expected in 2024" - CapWest  
 3. "TMT M&A trends: Road to recovery as sector looks to exploit technology deal drivers" – Norton Rose Fulbright

# Select Recent M&A Transactions



Closed	Jan 24, 2024
EV	\$202.2M
EV/EBITDA	Not Disclosed
EV/Revenue	Not Disclosed

**Minute Media** closed the acquisition of **STN Video Incorporated** on January 24, 2024. Minute Media is a global technology and sports content company with partnerships for every major league in the U.S. STN Video is a software company that develops a digital video distribution and publishing platform, which supplies content to digital publishers. STN Video is based in Victoria, B.C.



Announced	Mar 13, 2024
EV	\$159.5M
EV/EBITDA	NM
EV/Revenue	4.5x

**Battery Ventures** announced the acquisition of **TrueContext Corporation** on March 13, 2024. TrueContext Corporation researches, develops, and markets mobile business solutions to automate field sales, field service, and other field data collection business processes. TrueContext is based in Kanata, Ontario.



Closed	Jan 31, 2024
EV	\$150.0M
EV/EBITDA	Not Disclosed
EV/Revenue	Not Disclosed

**Dover Fueling Solutions Segment, Inc.** closed the acquisition of **Bulloch Technologies, Inc.** on January 31, 2024. Bulloch Technologies develops point-of-sale (POS) solutions for petroleum filling stations. Bulloch Technologies is based in Mississauga, Ontario.



Closed	Jan 24, 2024
EV	\$80.4M
EV/EBITDA	NM
EV/Revenue	4.9x

**Symphony Technology Group, LLC** closed the acquisition of **MediaValet Inc.** on January 24, 2024. MediaValet develops and delivers enterprise cloud software to manage the digital media assets for companies in various industries. MediaValet is based in Vancouver, B.C.

# Public Comparable Analysis

## Trading Multiples & Operating Statistics

(Figures in CAD millions, except percentages and ratios)

Company	Market Cap	Enterprise Value	LTM Operating Figures					NTM Consensus		Valuation	
			Revenue	Revenue Growth	Gross Margin	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	LTM EV/EBITDA	LTM EV/REV
<b>Large-Cap Software</b>											
Constellation Software Inc.	\$78,409	\$81,669	\$11,103	27.0%	35.0%	\$2,262	20.4%	25.3%	27.1%	36.1x	7.4x
Open Text Corporation	\$14,100	\$24,713	\$7,522	61.2%	76.8%	\$1,965	26.1%	6.6%	37.2%	12.3x	3.2x
The Descartes Systems Group Inc.	\$10,554	\$10,134	\$767	17.9%	75.9%	\$315	41.1%	13.6%	44.3%	32.2x	13.2x
Kinaxis Inc.	\$4,363	\$4,044	\$564	16.4%	60.6%	\$48	8.4%	19.7%	17.2%	85.1x	7.2x
Docebo Inc.	\$2,009	\$1,917	\$239	26.5%	80.9%	\$10	4.3%	27.7%	15.0%	186.3x	8.0x
Enghouse Systems Limited	\$1,691	\$1,455	\$468	10.7%	66.5%	\$111	23.7%	4.9%	29.6%	13.1x	3.1x
Dye & Durham Limited	\$1,051	\$2,379	\$455	(5.2%)	90.0%	\$139	30.6%	7.1%	57.7%	17.1x	5.2x
<b>Median</b>	<b>\$4,363</b>	<b>\$4,044</b>	<b>\$564</b>	<b>17.9%</b>	<b>75.9%</b>	<b>\$139</b>	<b>23.7%</b>	<b>13.6%</b>	<b>29.6%</b>	<b>32.2x</b>	<b>7.2x</b>
<b>Mean</b>	<b>\$16,025</b>	<b>\$18,045</b>	<b>\$3,017</b>	<b>22.1%</b>	<b>69.4%</b>	<b>\$693</b>	<b>22.1%</b>	<b>15.0%</b>	<b>32.6%</b>	<b>54.6x</b>	<b>6.8x</b>

<b>Mid-Cap Software</b>											
Tecsys Inc.	\$568	\$537	\$168	15.8%	43.6%	\$6	3.4%	10.5%	9.7%	94.7x	3.2x
Thinkific Labs Inc.	\$323	\$210	\$78	14.7%	75.5%	(\$13)	(16.4%)	18.3%	1.6%	NM	2.7x
Sylogist Ltd.	\$204	\$210	\$66	18.7%	60.3%	\$16	24.2%	10.6%	26.0%	13.3x	3.2x
<b>Median</b>	<b>\$323</b>	<b>\$210</b>	<b>\$78</b>	<b>15.8%</b>	<b>60.3%</b>	<b>\$6</b>	<b>3.4%</b>	<b>10.6%</b>	<b>9.7%</b>	<b>54.0x</b>	<b>3.2x</b>
<b>Mean</b>	<b>\$365</b>	<b>\$319</b>	<b>\$104</b>	<b>16.4%</b>	<b>59.8%</b>	<b>\$3</b>	<b>3.7%</b>	<b>13.2%</b>	<b>12.4%</b>	<b>54.0x</b>	<b>3.0x</b>

<b>Small-Cap Software</b>											
TrueContext Corporation	\$142	\$141	\$32	14.3%	87.1%	(\$2)	(5.0%)	21.3%	7.7%	NM	4.4x
Quorum Information Technologies Inc	\$55	\$65	\$40	5.3%	47.5%	\$0	1.1%	2.8%	18.9%	149.9x	1.6x
LifeSpeak Inc.	\$40	\$122	\$52	10.6%	90.3%	\$1	2.2%	0.9%	24.2%	106.3x	2.3x
Optiva Inc.	\$35	\$143	\$63	(23.1%)	64.4%	(\$0)	(0.5%)	5.3%	4.2%	NM	2.3x
NamSys Inc.	\$26	\$19	\$6	10.0%	59.8%	\$2	34.6%	NM	N/A	8.8x	3.0x
<b>Median</b>	<b>\$40</b>	<b>\$122</b>	<b>\$40</b>	<b>10.0%</b>	<b>64.4%</b>	<b>\$0</b>	<b>1.1%</b>	<b>4.0%</b>	<b>13.3%</b>	<b>106.3x</b>	<b>2.3x</b>
<b>Mean</b>	<b>\$59</b>	<b>\$98</b>	<b>\$39</b>	<b>3.4%</b>	<b>69.8%</b>	<b>\$0</b>	<b>6.5%</b>	<b>7.6%</b>	<b>13.7%</b>	<b>88.3x</b>	<b>2.7x</b>

<b>Industrial Technologies</b>											
ATS Corporation	\$4,510	\$5,606	\$2,972	21.3%	28.6%	\$434	14.6%	(2.6%)	15.9%	12.9x	1.9x
Ag Growth International Inc.	\$1,166	\$1,985	\$1,527	4.7%	31.4%	\$230	15.1%	7.3%	19.1%	8.6x	1.3x
Reko International Group Inc.	\$26	\$32	\$47	(12.8%)	21.5%	\$5	9.7%	NM	N/A	7.1x	0.7x
<b>Median</b>	<b>\$1,166</b>	<b>\$1,985</b>	<b>\$1,527</b>	<b>4.7%</b>	<b>28.6%</b>	<b>\$230</b>	<b>14.6%</b>	<b>2.3%</b>	<b>17.5%</b>	<b>8.6x</b>	<b>1.3x</b>
<b>Mean</b>	<b>\$1,901</b>	<b>\$2,541</b>	<b>\$1,515</b>	<b>4.4%</b>	<b>27.2%</b>	<b>\$223</b>	<b>13.1%</b>	<b>2.3%</b>	<b>17.5%</b>	<b>9.6x</b>	<b>1.3x</b>

<b>FinTech &amp; eCommerce</b>											
Shopify Inc.	\$134,564	\$129,298	\$9,324	26.1%	49.8%	\$423	4.5%	26.2%	15.1%	298.4x	13.5x
Nuvei Corporation	\$5,973	\$7,445	\$1,571	41.1%	81.3%	\$292	18.6%	19.8%	36.3%	25.5x	4.7x
Lightspeed Commerce Inc.	\$2,922	\$1,963	\$1,140	24.6%	43.2%	(\$174)	(15.3%)	26.6%	1.6%	NM	1.7x
Payfare Inc.	\$334	\$277	\$174	63.0%	16.5%	\$9	5.0%	27.0%	13.9%	32.0x	1.6x
<b>Median</b>	<b>\$4,447</b>	<b>\$4,704</b>	<b>\$1,356</b>	<b>33.6%</b>	<b>46.5%</b>	<b>\$150</b>	<b>4.7%</b>	<b>26.4%</b>	<b>14.5%</b>	<b>32.0x</b>	<b>3.2x</b>
<b>Mean</b>	<b>\$35,948</b>	<b>\$34,746</b>	<b>\$3,052</b>	<b>38.7%</b>	<b>47.7%</b>	<b>\$137</b>	<b>3.2%</b>	<b>24.9%</b>	<b>16.7%</b>	<b>118.6x</b>	<b>5.4x</b>

Source: Capital IQ. Data as of March 31, 2024. All index constituents are headquartered in Canada.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.

Large-Cap Software includes Canadian software companies with market capitalizations of over \$1 billion.

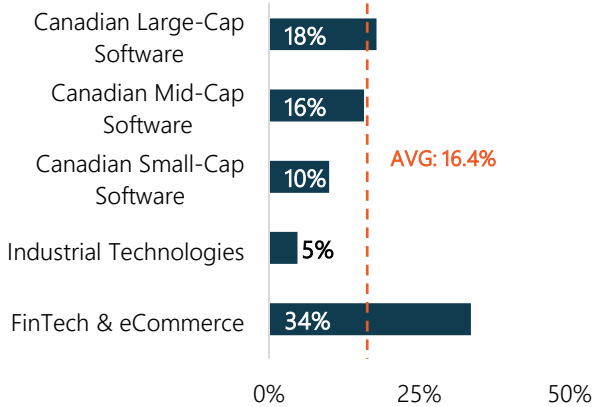
Mid-Cap Software includes Canadian software companies with market capitalizations between \$150 million and \$1 billion.

Small-Cap Software includes Canadian software companies with market capitalizations between \$20 million and \$150 million.

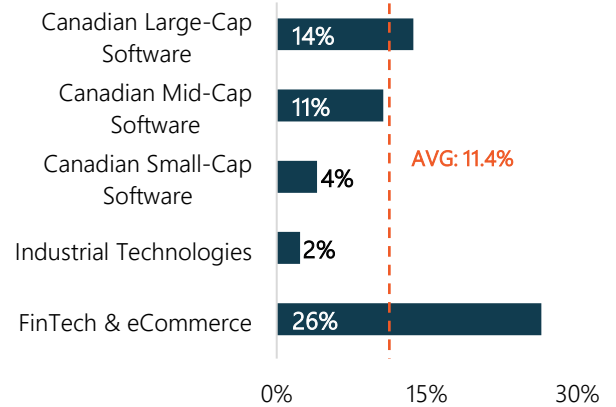
# Public Comparable Analysis

## Growth, Margins & Multiples

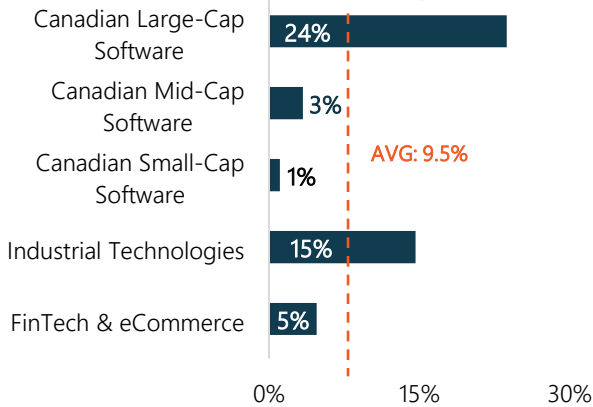
### LTM REVENUE GROWTH



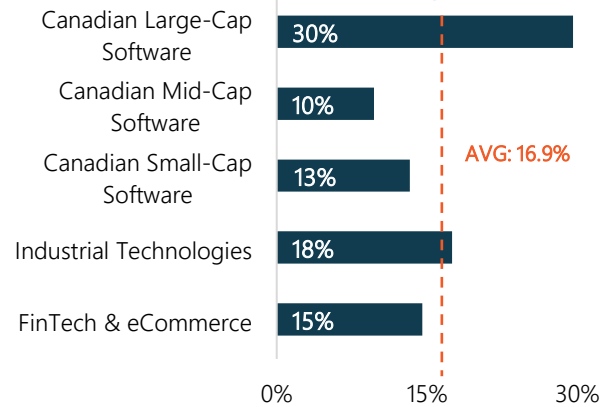
### NTM REVENUE GROWTH



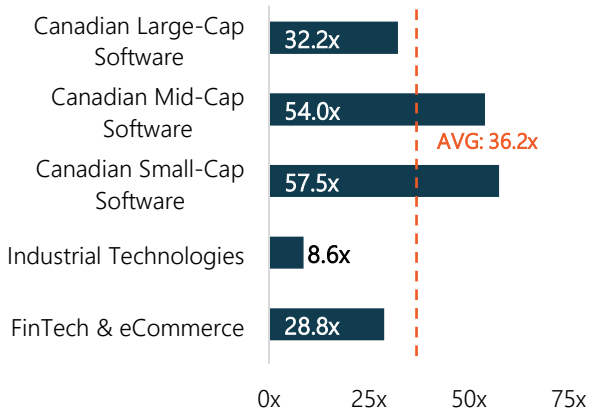
### LTM EBITDA MARGIN



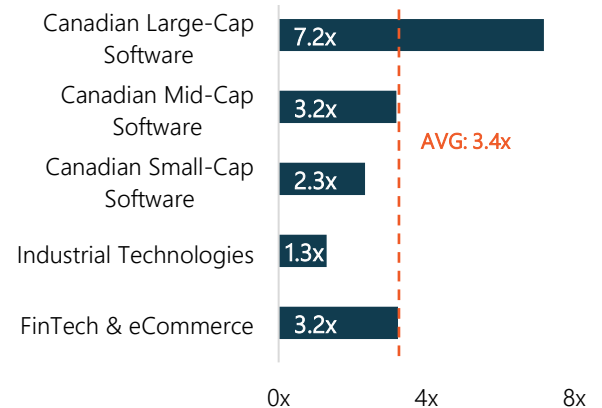
### NTM EBITDA MARGIN



### LTM EV/EBITDA



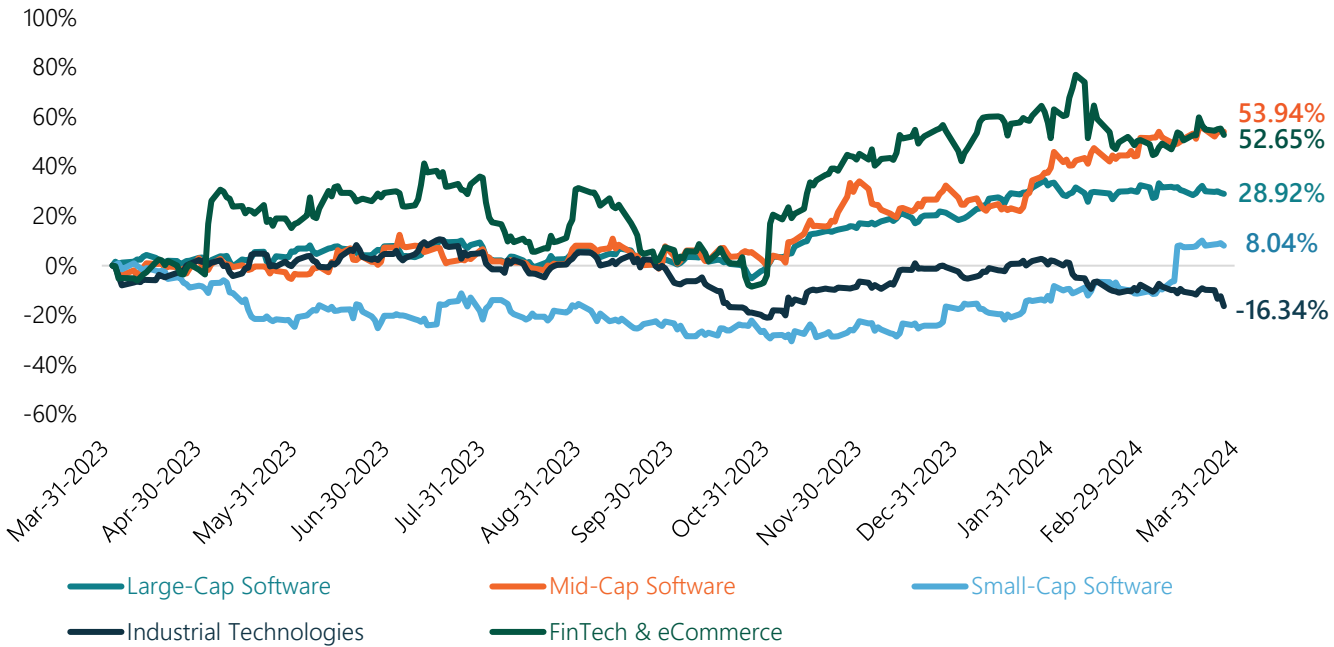
### LTM EV/REVENUE



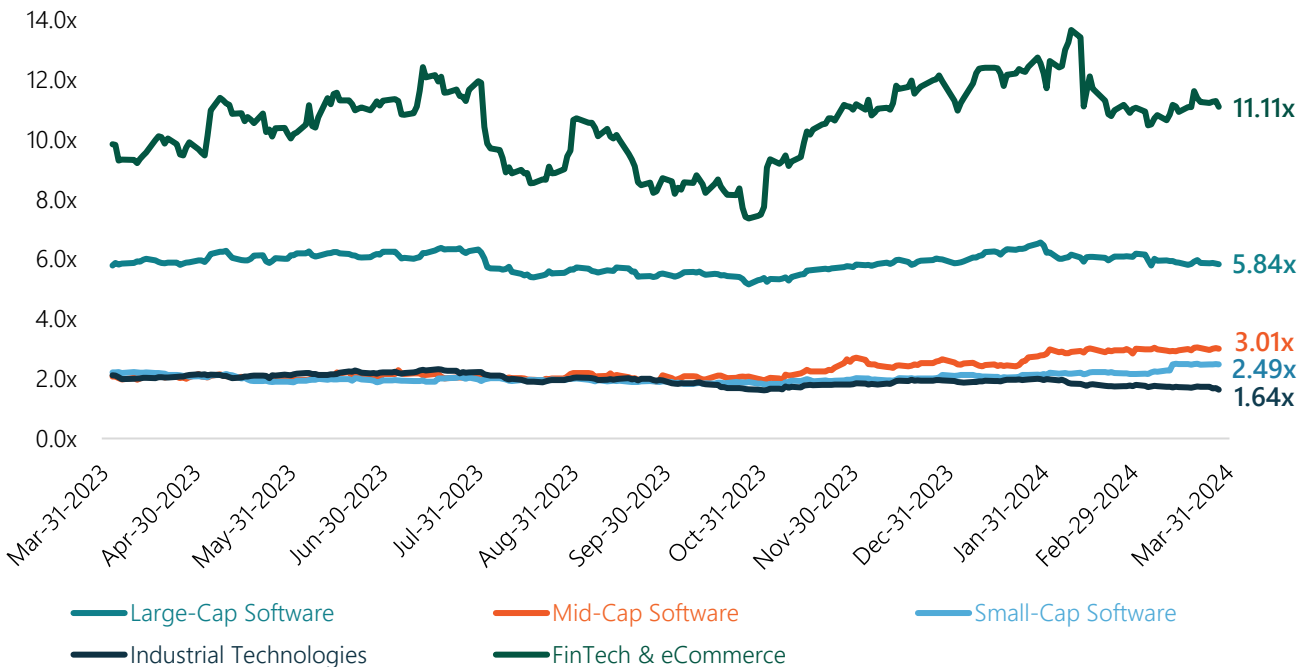
# Public Comparable Analysis

## Peer Group Performance

### Share Price Performance – LTM



### EV/Revenue Multiple Performance – LTM

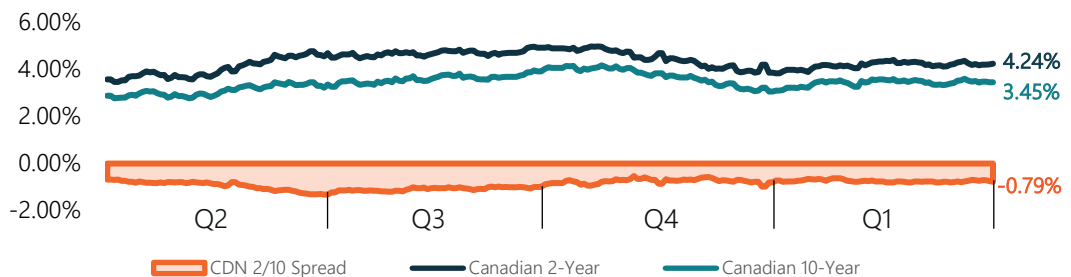


Key external drivers that affect the technology industry include changes in inflation rates (i.e., Consumer Price Index) and treasury yields. Treasury yields have increased slightly over the past quarter for Canada and the U.S., where the two-year bond yield has continued to exceed the 10-year. Investors commonly consider this inverted yield curve to be a recession indicator.

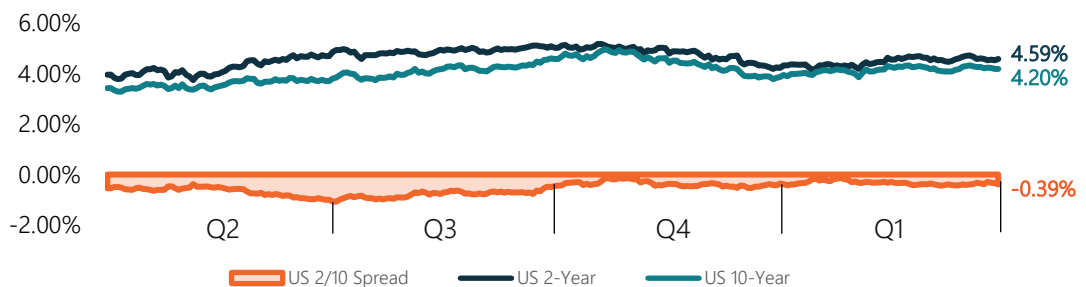
The Canadian Consumer Price Index measured 2.90% in March, down from 4.30% a year prior. Similarly, the U.S. inflation rate decreased to 3.48% from 4.98% in Q1 2023. According to the Bank of Canada (BoC), monetary policy is working to reduce inflationary pressures and inflation is coming down. However, it will take more time to see if the progress continues.

The BoC and the U.S. Federal Reserve held their benchmark interest rates steady at their most recent meetings. As of March, the BoC overnight interest rate held steady at 5.00% for the seventh straight month, while the Federal Reserve held rates between 5.25% and 5.50%.

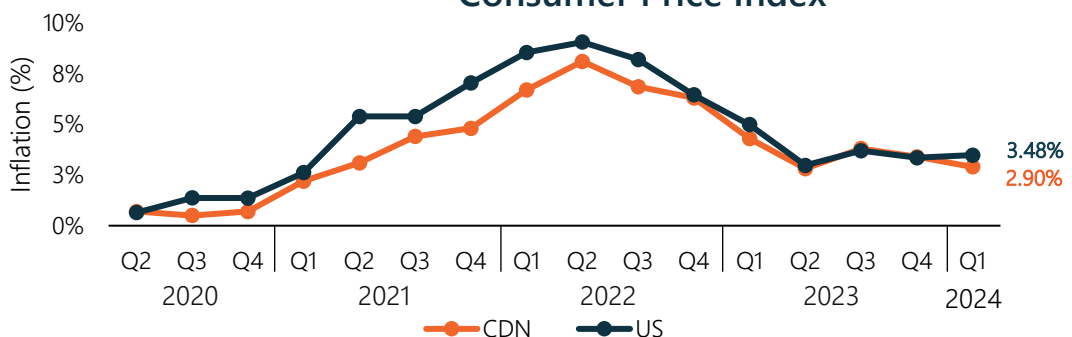
## Canadian Government Bond Yields



## US Government Bond Yields



## Consumer Price Index



# About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A, capital markets, and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

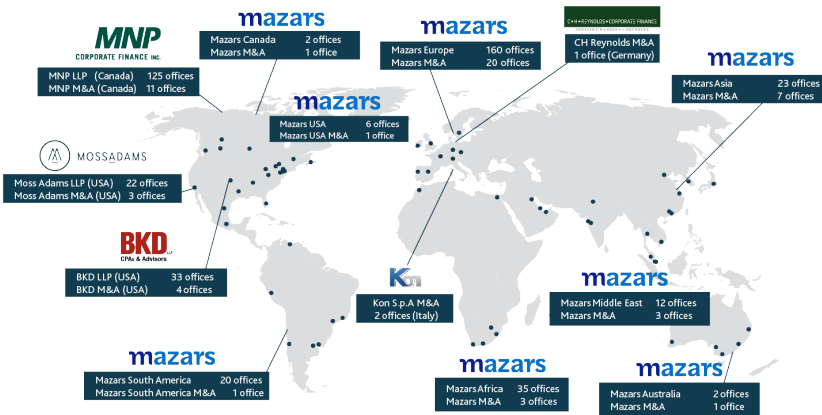
Our typical transactions range in value between \$3 million and \$300 million.

## Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 250+ M&A professionals in more than 30 countries.



**CFxBorder** - Global reach with local relationships  
 Our corporate finance team through CFxBorder consists of 250 plus M&A professionals in more than 30 countries



## Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

## Recently Closed Deals (National)

MNP Corporate Finance Inc. acted as exclusive financial advisor to Top Notch Cabinets Inc. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to SchAAF Foods Inc. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor in arranging this private placement.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Atlas Sign & Awning Company in structuring and negotiating this transaction.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Trusspoint Quality Partners and JDI Cleaning Services.

MNP Corporate Finance Inc. provided financial and tax due diligence services to ASKO Holding.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Lessard Callingwood Veterinary Hospital Ltd. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Monarch Office Supply Inc. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Synairtech in structuring and negotiating this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Lemire Precision Inc. in structuring and negotiating this transaction.



# About Us

## Deal Experience

Since our inception, our team has advised on hundreds of transactions in a wide range of industries with diverse enterprise values. In the past 10 years alone, we have completed over 275 transactions worth over \$4.7 billion (not including due diligence engagements).

## Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Healthcare
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

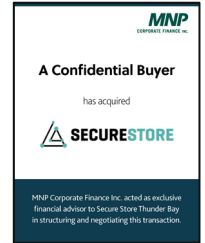
## Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish, including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

## Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

## Recently Closed Deals (National)

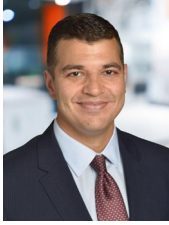


# Leadership Team

## Transaction Leadership



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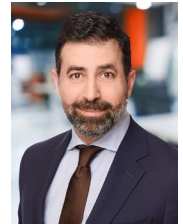
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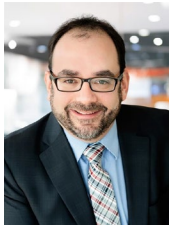
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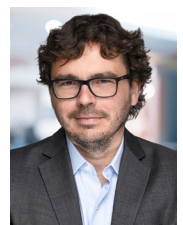
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