

Overview

Clare Capital Tech Insights 114 - Strategic v Financial Buyers - 20190315

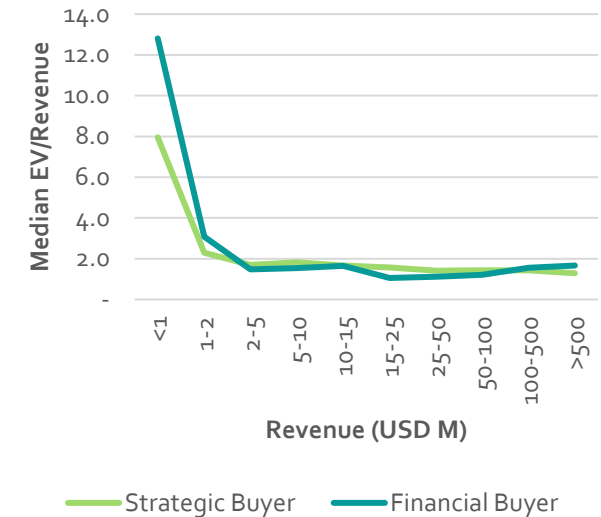
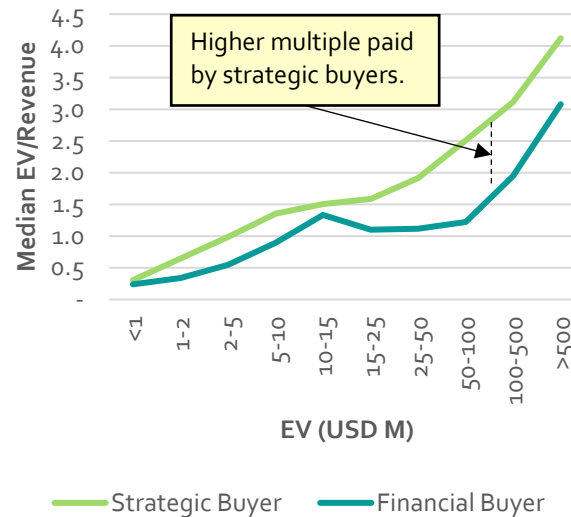
This Tech Insights report looks at over 1,200 technology transactions showing the differences in distribution of multiples between strategic and financial buyers of technology companies across different revenue and enterprise values.

Strategic Buyer

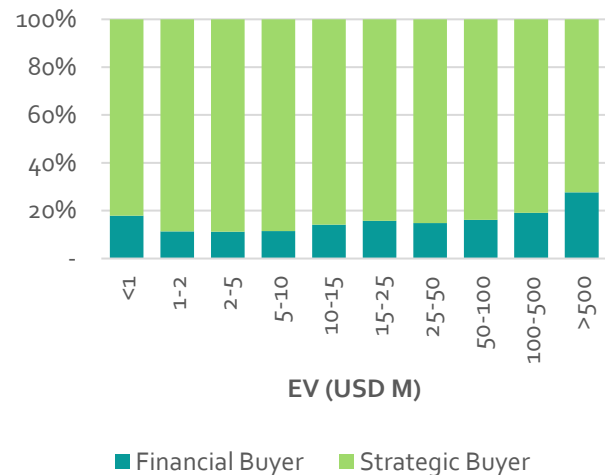
Type: A strategic player acquires a company.
Means: A strategic acquirer is more likely to focus on the target company's assets, products, people and customer base. At times, the financial performance can play less of a role in the overall transaction rationale.

Financial Buyer

Type: A financial player acquires a company.
Means: While the client and asset base is important, a financial acquirer is likely to focus strongly on the underlying financials of the business – how big the target is, how fast it is growing and how much profit it is making.

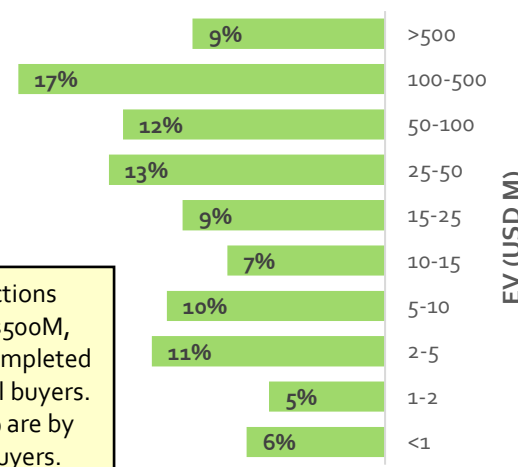


Transactions by EV

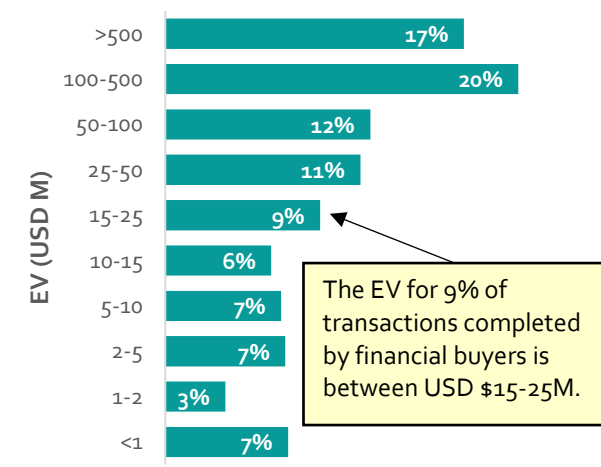


For transactions over USD \$500M, 28% are completed by financial buyers. While, 72% are by strategic buyers.

Strategic Buyer Transactions by EV



Financial Buyer Transactions by EV

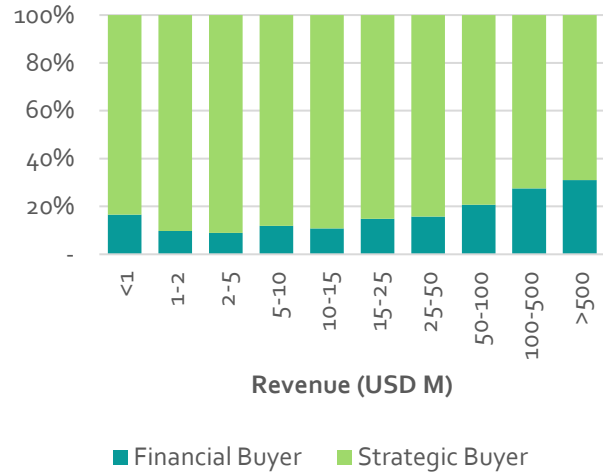


The EV for 9% of transactions completed by financial buyers is between USD \$15-25M.

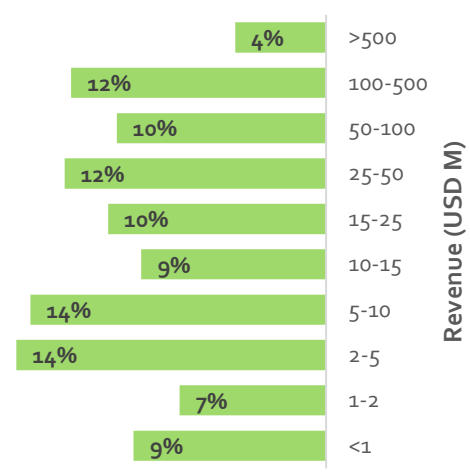
Disclaimer

The information provided in this report has been solely sourced and calculated from FactSet. Clare Capital holds no responsibility over the actual numbers. Clare Capital is not an Authorised Financial Adviser. This document is intended as analysis. If you are making investment decisions you should seek appropriate personalised financial advice.

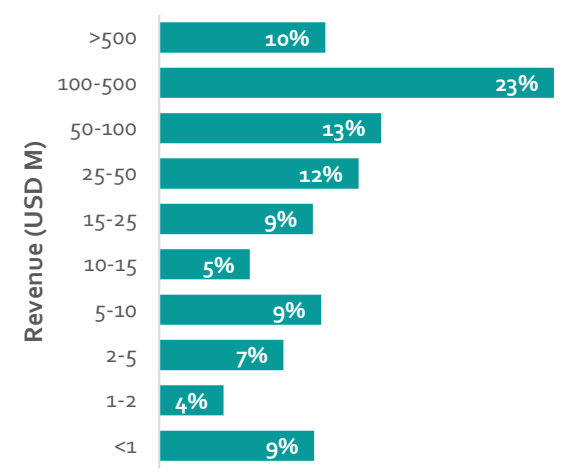
Transactions by Revenue



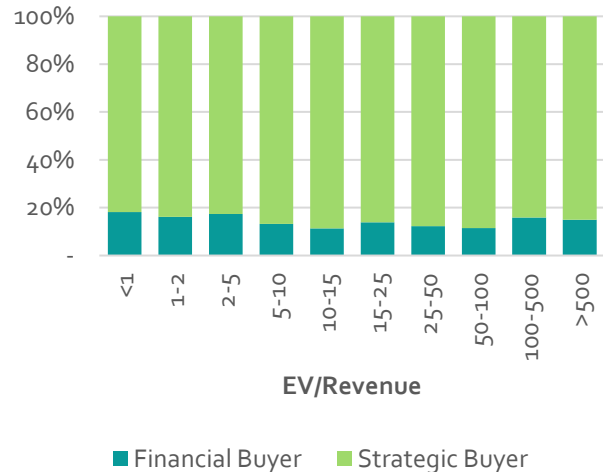
Strategic Buyer Transactions by Revenue



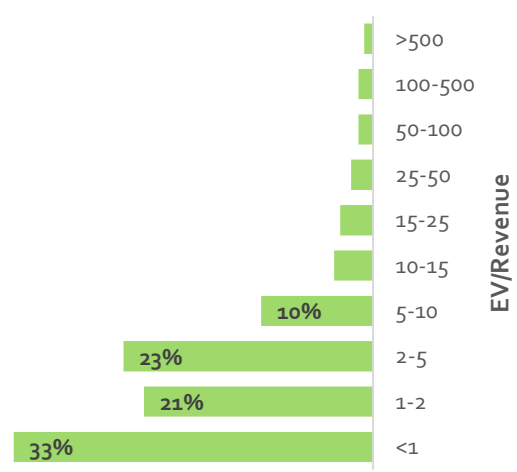
Financial Buyer Transactions by Revenue



Transactions by Multiple



Strategic Buyer Transactions by Multiple



Financial Buyer Transactions by Multiple

