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This monthly letter highlights M&A transactions and equity fund raisings announced in May 2017 in the Technology Sector in France

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## Technology deals

### **Renault** 26 May 2017

Renault, the French listed car manufacturer (revenues of €51.2bn in FY16) has acquired Intel's French R&D activity specializing in embedded softwares. The acquisition of Intel's division should enable the group to extend its engineering skills and is in line with Renault's strategy to develop connected and autonomous vehicles.

### **Business & Decision** 19 May 2017

Orange Business Services, Orange's subsidiary dedicated to BtoB services, has entered into exclusive negotiations to acquire a 67% stake in Business & Decision, the French listed IT services provider. The transaction which values the business at €89.5m (representing a multiple of 0.4x FY16 revenues) should enable Orange Business Services to reach a critical size in the field of data management. The transaction is subject to customary regulatory approval and is expected to close in Q3 2017.

### **Showroomprivé.com** 15 May 2017

Conforama, the French group specialized in furnishing, has acquired a 17% stake in Showroomprivé.com, the French e-commerce website. The acquisition of Showroomprivé.com which was concluded for a consideration of €157.4m, values the company at €832m (representing multiples of 1.5x FY16 revenues and 29.4x EBITDA). The transaction should enable Showroomprivé.com to expand its business into furnishing.

### **Sfeir** 10 May 2017

Sfeir, a French IT services provider, structured a management buy-out backed by the French PE fund UI Gestion. The transaction should enable Sfeir to strengthen its international development and expand its customer base. The group generated revenues of €34m in FY16.

### **SQLI** 4 May 2017

SQLI, a French listed IT services provider with revenues of €191m in FY16, has acquired Star Republic, a Swedish IT services company addressing the retail, bank, food and healthcare sectors. Star Republic generated revenues of c.€7m in FY16.

### **Thales** 2 May 2017

Thales, the French listed electronics and defence company (revenues of €14.9bn in FY16), has acquired Guavus, a US company specialized in big data analytics, valuing the business at up to €200m including earn-out. This acquisition should enable the group to reinforce its expertise in big data. Guavus should generate revenues of €27.6m in FY17 (implying a FY17 revenues multiple up to 7.2x). The transaction is subject to customary regulatory approval and is expected to close in Q3 2017.

## Fundraising

### **AB Tasty** 30 May 2017

AB Tasty, a French start-up specialized in A/B-testing and personalisation of user experience solutions, raised €16m from a pool of investors led by Partech Ventures and Korelya Capital, alongside historical shareholders XAnge, Siparex and Omnes Capital. This round of financing should enable the company to hire several new sales representatives in the US.

### **Frichti** 23 May 2017

Frichti, a French start-up operating an online food delivery platform raised €30m from a pool of investors led by the Belgian family office Verlinvest, alongside the UK based PE fund, Felix Capital, and its historical shareholders Alven Capital and Idinvest Partners. This second round of financing should enable the company to complement its offering and expand internationally.

### **I-Ten** 22 May 2017

I-Ten, a French start-up developing rechargeable micro-batteries raised €10m from Eren Groupe and Habert Dassault Finances. This round of financing should enable I-Ten to launch the industrialization of its products and develop new products.

### **Jobteaser** 17 May 2017

JobTeaser, a French recruitment platform addressing students and new graduates seeking internships or first time job opportunities, raised €15m from a pool of investors led by Alven Capital, Idinvest Partners and Korelya Capital. This second round of financing should enable the company to increase its geographical footprint in Europe and double its team within two years.

### **Talent.io** 16 May 2017

Talent.io, a French start-up developing a recruitment platform specialized in tech jobs, raised €8m from the French PE fund Alven Capital alongside Ventech. This first round of financing should enable the company to finance its geographical expansion through acquisitions.

### **EasyRecrue** 15 May 2017

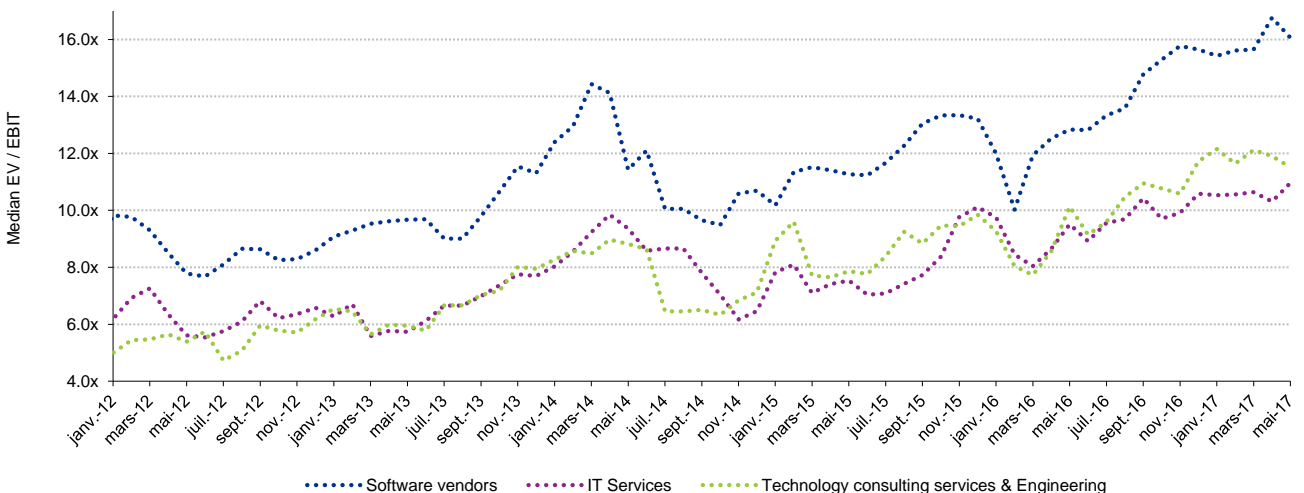
EasyRecrue, a French SaaS solutions vendor developing a video platform for recruitment interviews, raised €6m from the French PE fund Elaia Partners and Bpifrance. This second round of funding should enable EasyRecrue to fuel its growth strategy through expanded team and acquisitions.

## Market Multiples

Company	Country	Market cap. (€m)	EV (€m)	EV / Net Sales			EV / EBITDA			EV / EBIT			EBITDA %		EBIT %	
				2016a	2017e	2018e	2016a	2017e	2018e	2016a	2017e	2018e	2016a	2017e	2016a	2017e
<b>Software vendors</b>																
Dassault Systèmes SE	France	20 825	19 648	6.4x	5.9x	5.5x	NA	17.8x	16.1x	NA	18.7x	17.0x	27%	33%	23%	32%
Axway Software SA	France	685	681	2.3x	2.0x	1.9x	12.8x	10.9x	9.8x	16.4x	12.6x	11.2x	18%	19%	14%	16%
Pharmagest Interacti	France	629	575	4.5x	4.1x	3.9x	17.6x	15.3x	14.6x	18.5x	16.9x	16.1x	25%	27%	24%	24%
CeGEDIM SA	France	406	644	1.5x	1.4x	1.3x	NA	9.3x	7.8x	NA	19.8x	14.3x	6%	15%	6%	7%
Linedata Services S.	France	377	425	2.5x	2.2x	2.2x	9.9x	8.0x	7.7x	10.9x	10.3x	9.9x	26%	27%	23%	21%
Esker SA	France	264	250	3.5x	3.3x	2.9x	NA	14.4x	13.1x	NA	NA	18.7x	17%	23%	14%	16%
Sidetrade SA	France	80	73	4.0x	3.3x	2.7x	NA	NA	15.7x	NA	NA	NA	13%	13%	12%	9%
Average				3.5x	3.2x	2.9x	13.4x	12.6x	12.1x	15.3x	15.7x	14.5x	19%	22%	17%	18%
Median				3.5x	3.3x	2.7x	12.8x	12.6x	13.1x	16.4x	16.9x	15.2x	18%	23%	14%	16%

<b>IT Services</b>																
Capgemini SE	France	15 102	17 865	1.4x	1.4x	1.3x	11.3x	10.0x	9.4x	13.9x	11.9x	11.0x	13%	14%	10%	12%
Atos SE	France	13 448	15 019	1.3x	1.2x	1.2x	9.8x	8.9x	8.5x	14.5x	11.8x	11.2x	13%	13%	9%	10%
Sopra Steria Group	France	2 817	3 688	1.0x	1.0x	0.9x	11.5x	10.0x	9.2x	14.6x	12.1x	11.0x	9%	10%	7%	8%
Neurones S.A.	France	652	536	1.2x	1.1x	1.0x	10.6x	9.8x	9.0x	12.5x	11.5x	10.5x	11%	11%	10%	10%
GFI Informatique SA	France	521	668	0.7x	0.6x	0.6x	8.9x	7.9x	7.3x	11.9x	8.9x	8.1x	7%	7%	6%	7%
Devoteam S.A.	France	556	510	0.9x	0.9x	0.8x	10.5x	8.8x	8.0x	11.3x	9.5x	8.5x	9%	10%	8%	9%
Aubay Société Anonym	France	384	395	1.2x	1.1x	1.1x	11.9x	11.2x	10.7x	12.5x	11.8x	11.3x	10%	10%	10%	10%
Groupe Open	France	231	225	0.7x	0.7x	0.7x	9.7x	8.9x	8.1x	10.5x	9.4x	8.5x	8%	8%	7%	7%
SQLi	France	165	173	0.9x	0.8x	0.8x	11.3x	9.1x	8.0x	12.4x	10.2x	9.0x	8%	9%	7%	8%
Average				1.0x	1.0x	0.9x	10.6x	9.4x	8.7x	12.7x	10.8x	9.9x	10%	10%	8%	9%
Median				1.0x	1.0x	0.9x	10.6x	9.1x	8.5x	12.5x	11.5x	10.5x	9%	10%	8%	9%

<b>Technology consulting services &amp; Engineering</b>																
Altran Technologies	France	2 773	3 023	1.4x	1.3x	1.2x	13.1x	11.1x	10.0x	14.1x	12.4x	11.1x	11%	12%	10%	10%
Alten SA	France	2 636	2 646	1.5x	1.4x	1.3x	14.5x	12.7x	11.8x	15.4x	13.4x	12.5x	10%	11%	10%	10%
Akka Technologies	France	953	1 110	1.0x	0.8x	0.8x	11.9x	9.6x	8.5x	14.4x	11.6x	10.2x	8%	9%	7%	7%
Assystem SA	France	719	761	0.8x	0.7x	0.7x	10.4x	8.8x	8.0x	11.6x	9.8x	9.0x	8%	8%	7%	7%
SII	France	406	401	1.1x	0.9x	NA	13.8x	11.6x	NA	16.7x	14.0x	NA	8%	8%	7%	7%
Average				1.2x	1.0x	1.0x	12.7x	10.7x	9.6x	14.4x	12.2x	10.7x	9%	10%	8%	8%
Median				1.1x	0.9x	1.0x	13.1x	11.1x	9.3x	14.4x	12.4x	10.6x	8%	9%	7%	7%



Source: Capital IQ, KPMG Corporate Finance, and company filings

Notes: Market Capitalization amounts are in millions, based on closing Share Prices as of May 31<sup>st</sup> 2017 - Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents - EBITDA equals Earnings before Interest, Taxes, Depreciation, and Amortization (which can include R&D Capex based on accounting methods)

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