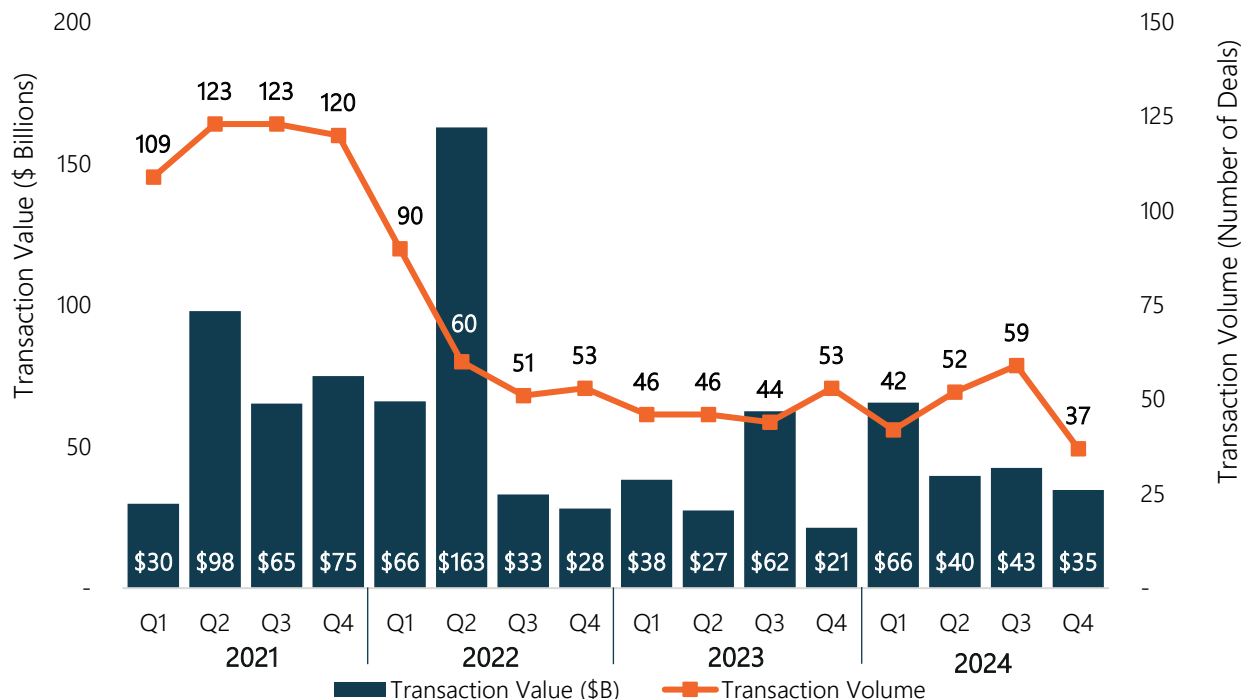


Technology

Quarterly Update | Q4 2024



North American Software M&A Activity



Source: S&P Capital IQ. Data as of December 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).

Q4 Transactions

37

(-37.3% vs Q3 2024)

Q4 Transaction Value

\$35 billion

(-18.6% vs. Q3 2024)

2024 Transactions

190

(+0.5% vs. YTD 2023)

2024 Transaction Value

\$182 billion

(+21.9% vs. YTD 2023)

M&A Market Update – Q4 2024

- 2024 saw transaction volumes and values collectively surpass those in 2023. Total transaction values reached \$182 billion in 2024, compared to \$150 billion in 2023. The acquisition of Altair Engineering Inc. for \$14.8 billion was the largest transaction in North America in Q4 2024, accounting for approximately 42% of the quarter's total transaction value (see page 3 for further details on this transaction).
- Canada saw an increase in transactions in 2024, with 30 transactions completed with a total value of \$2.6 billion in comparison to 2023, where only 25 transactions were completed in Canada. The largest Canadian transaction in 2024 was the acquisition of Copperleaf Technologies Inc. for \$967 million.
- M&A activity is expected to continue trending positively into Q1 2025 with AI as the primary driver. Key industry consolidators are expected to focus their attention on M&A as a source of technological improvement and talent acquisition as companies position themselves for AI-driven disruption.¹
- Bullish 2025 M&A expectations can also be attributed to lower costs of capital (borrowing rates) and nearly \$2.6 billion in dry powder held by private equity and venture capital firms all while pressure from shareholder activists to transact and unlock liquidity continues to increase.²

Source: S&P Capital IQ, Bank of Canada, data as of December 31, 2024.

1. "AI trends for 2025: M&A and investments" – Dentons

2. "2025 M&A Outlook: 4 Trends Driving an Anticipated Rebound" – Morgan Stanley

Select Recent M&A Transactions

SIEMENS

is acquiring



Announced	Oct 30, 2024
EV	\$14.8B
EV/EBITDA	120.01x
EV/Revenue	15.74x

Siemens Product Lifecycle Management Software Inc., announced the acquisition of **Altair Engineering Inc.** on October 30, 2024, for \$14.8 billion. Altair Engineering Inc. provides software and solutions for simulation, data analytics, and product design optimization. Altair Engineering Inc. is headquartered in Troy, Michigan.



is acquiring



Announced	Nov 5, 2024
EV	\$9.2B
EV/EBITDA	38.64x
EV/Revenue	14.10x

Emerson Electric Co. announced the acquisition of **Aspen Technology, Inc.** on November 5, 2024, for \$9.2 billion. Aspen Technology, Inc. develops software for optimizing asset performance and process management. Aspen Technology, Inc. is headquartered in Bedford, Massachusetts.

IONIK

acquired



Closed	Nov 19, 2024
EV	\$62.6M
EV/EBITDA	18.74x
EV/Revenue	2.30x

Ionik Corporation closed the acquisition of **Rise4 Inc.** on November 19, 2024, for \$62.6 million. Rise4 Inc., based in Guelph, ON, is a performance marketing company specializing in user acquisition and search monetization.

Alithya

is acquiring



Announced	Dec 2, 2024
EV	\$34.8M
EV/EBITDA	NM
EV/Revenue	NM

Alithya Group Inc., announced the acquisition of **XRM Vision Inc.** on December 2, 2024, for \$34.8 million. XRM Vision Inc. specializes in CRM and project management solutions. XRM Vision Inc. is headquartered in Montreal, QC.

Public Comparable Analysis

Trading Multiples & Operating Statistics

Company	Market Cap	Enterprise Value	LTM Operating Figures					NTM Consensus		Valuation	
			Revenue	Growth	Gross Margin	EBITDA	Margin	Revenue Growth	EBITDA Margin	LTM EV/EBITDA	LTM EV/REV
Large-Cap Software											
Constellation Software Inc.	\$94,194	\$98,120	\$13,085	22.1%	35.6%	\$2,233	17.1%	25.2%	27.0%	43.9x	7.5x
The Descartes Systems Group Inc.	\$13,977	\$13,734	\$880	14.9%	75.4%	\$361	41.0%	16.3%	44.5%	38.0x	15.6x
Open Text Corporation	\$10,675	\$18,850	\$7,583	11.0%	76.6%	\$2,207	29.1%	1.6%	33.4%	8.0x	2.3x
Lumine Group Inc.	\$10,557	\$10,716	\$843	47.0%	89.4%	\$193	22.9%	34.5%	33.5%	55.5x	12.7x
Kinaxis Inc.	\$4,879	\$4,549	\$637	14.0%	61.2%	\$48	7.5%	21.3%	22.4%	95.4x	7.1x
Enghouse Systems Limited	\$1,500	\$1,236	\$503	10.7%	65.1%	\$120	24.0%	3.8%	28.9%	10.3x	2.5x
Docebo Inc.	\$1,949	\$1,840	\$283	22.7%	80.9%	\$31	10.9%	21.3%	17.9%	60.0x	6.5x
Dye & Durham Limited	\$1,177	\$2,706	\$458	1.4%	90.1%	\$144	31.6%	NM	55.8%	NM	5.9x
Median	\$7,718	\$7,632	\$740	14.4%	76.0%	\$169	23.4%	21.3%	31.1%	43.9x	6.8x
Mean	\$17,364	\$18,969	\$3,034	18.0%	71.8%	\$667	23.0%	17.7%	32.9%	44.5x	7.5x
Mid-Cap Software											
Tecsys Inc.	\$675	\$648	\$172	5.5%	45.3%	\$7	3.9%	6.7%	9.8%	96.2x	3.8x
Sylogist Ltd.	\$208	\$214	\$66	4.7%	58.9%	\$15	22.2%	1.3%	30.5%	14.5x	3.2x
Thinkific Labs Inc.	\$204	\$137	\$88	13.4%	75.1%	(\$3)	(3.5%)	21.3%	4.2%	NM	1.6x
Median	\$208	\$214	\$88	5.5%	58.9%	\$7	3.9%	6.7%	9.8%	55.4x	3.2x
Mean	\$362	\$333	\$109	7.8%	59.8%	\$6	7.5%	9.8%	14.8%	55.4x	2.8x
Small-Cap Software											
Quorum Information Technologies Inc	\$70	\$76	\$40	(0.8%)	49.7%	\$2	5.6%	3.1%	20.9%	34.0x	1.9x
NamSys Inc.	\$31	\$23	\$7	9.5%	61.3%	\$2	37.0%	(100.0%)	N/A	9.7x	3.6x
LifeSpeak Inc.	\$20	\$100	\$50	(6.8%)	89.6%	(\$1)	(1.6%)	NM	25.3%	NM	2.0x
Optiva Inc.	\$17	\$139	\$64	(6.8%)	58.9%	(\$10)	(15.2%)	12.0%	(4.0%)	NM	2.2x
Median	\$25	\$88	\$45	(3.8%)	60.1%	\$1	2.0%	3.1%	20.9%	21.8x	2.1x
Mean	\$34	\$84	\$40	(1.2%)	64.9%	(\$1)	6.5%	(28.3%)	14.1%	21.8x	2.4x
Industrial Technologies											
ATS Corporation	\$4,293	\$5,816	\$2,851	(0.6%)	29.1%	\$424	14.9%	(3.4%)	14.9%	13.7x	2.0x
Ag Growth International Inc.	\$969	\$1,769	\$1,403	(7.8%)	32.1%	\$203	14.5%	3.1%	18.4%	8.7x	1.3x
Reko International Group Inc.	\$21	\$18	\$41	(12.5%)	21.6%	\$3	7.6%	NM	N/A	5.7x	0.4x
Median	\$969	\$1,769	\$1,403	(7.8%)	29.1%	\$203	14.5%	(0.1%)	16.6%	8.7x	1.3x
Mean	\$1,761	\$2,534	\$1,431	(7.0%)	27.6%	\$210	12.3%	(0.1%)	16.6%	9.4x	1.2x
FinTech & eCommerce											
Shopify Inc.	\$197,681	\$192,279	\$11,094	23.5%	50.9%	\$1,336	12.0%	32.6%	18.8%	NM	16.3x
Lightspeed Commerce Inc.	\$3,330	\$2,470	\$1,369	24.7%	41.8%	(\$91)	(6.6%)	25.5%	5.8%	NM	1.8x
Payfare Inc.	\$185	\$98	\$217	24.3%	19.4%	\$17	7.8%	(64.7%)	(15.8%)	5.8x	0.5x
Median	\$3,330	\$2,470	\$1,369	24.3%	41.8%	\$17	7.8%	25.5%	5.8%	5.8x	1.8x
Mean	\$67,065	\$64,949	\$4,227	24.2%	37.4%	\$421	4.4%	(2.2%)	2.9%	5.8x	6.2x

Source: Capital IQ. Data as of December 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.

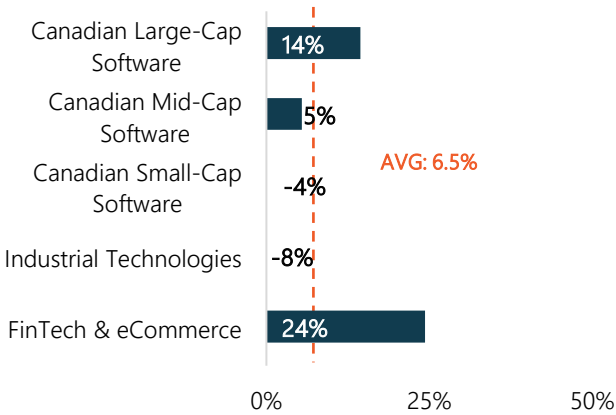
Mid-Cap Software includes Canadian software companies with market capitalizations between \$150 million and \$1 billion.

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

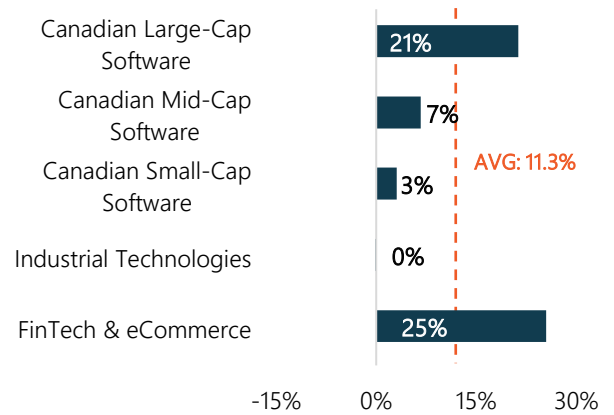
Public Comparable Analysis

Growth, Margins & Multiples

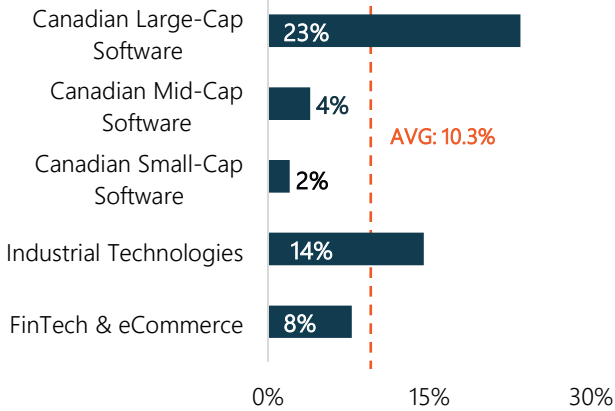
LTM REVENUE GROWTH



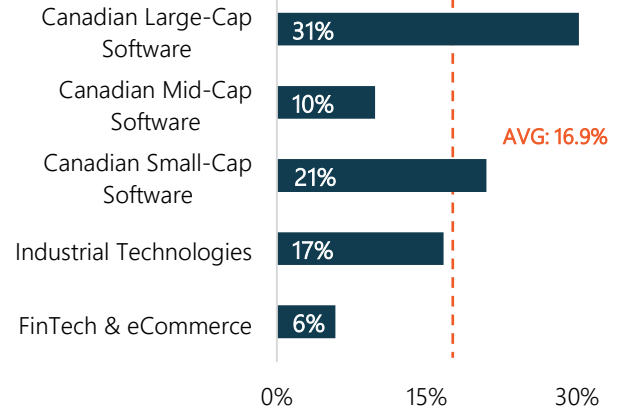
NTM REVENUE GROWTH



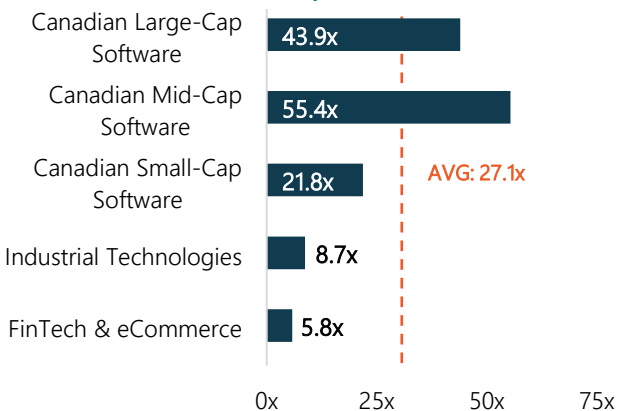
LTM EBITDA MARGIN



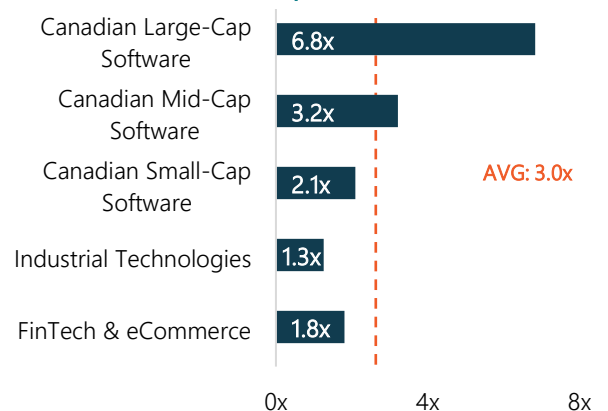
NTM EBITDA MARGIN



LTM EV/EBITDA

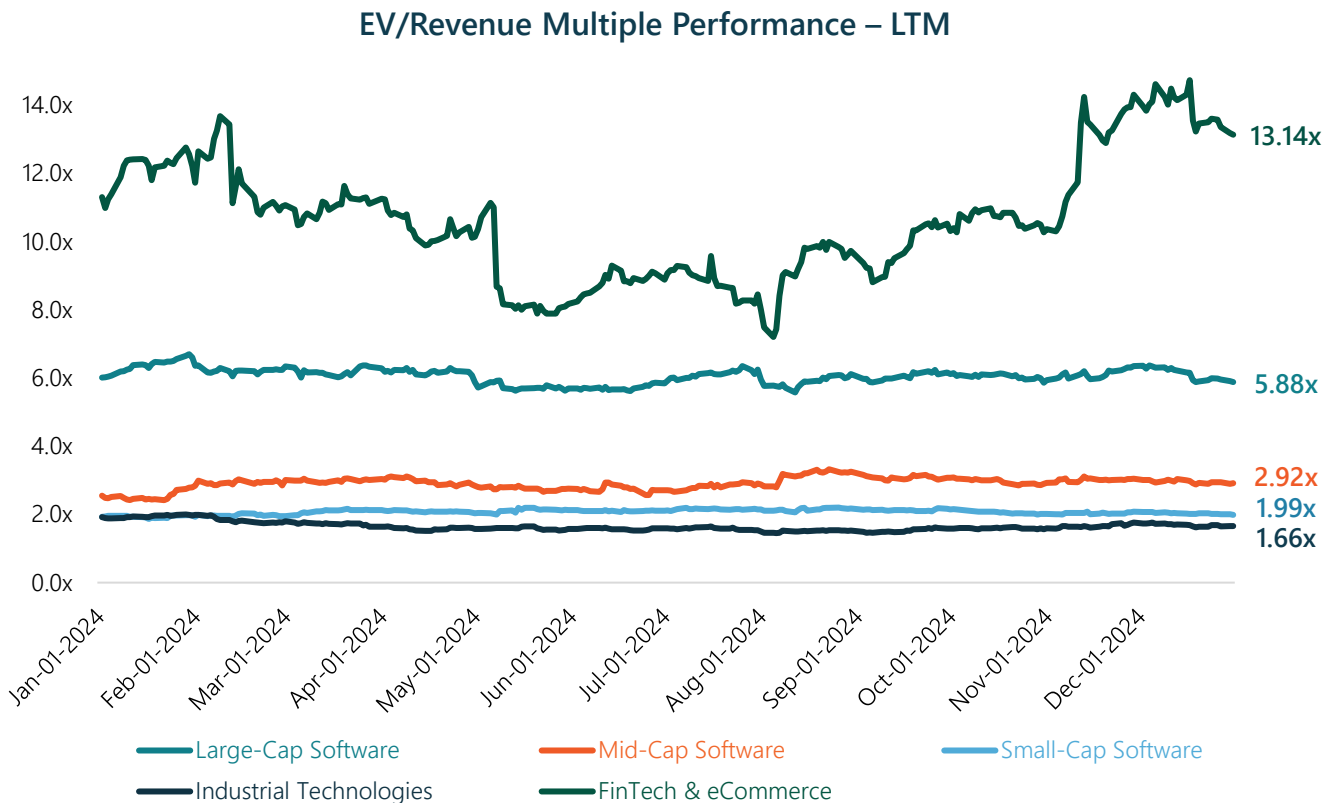
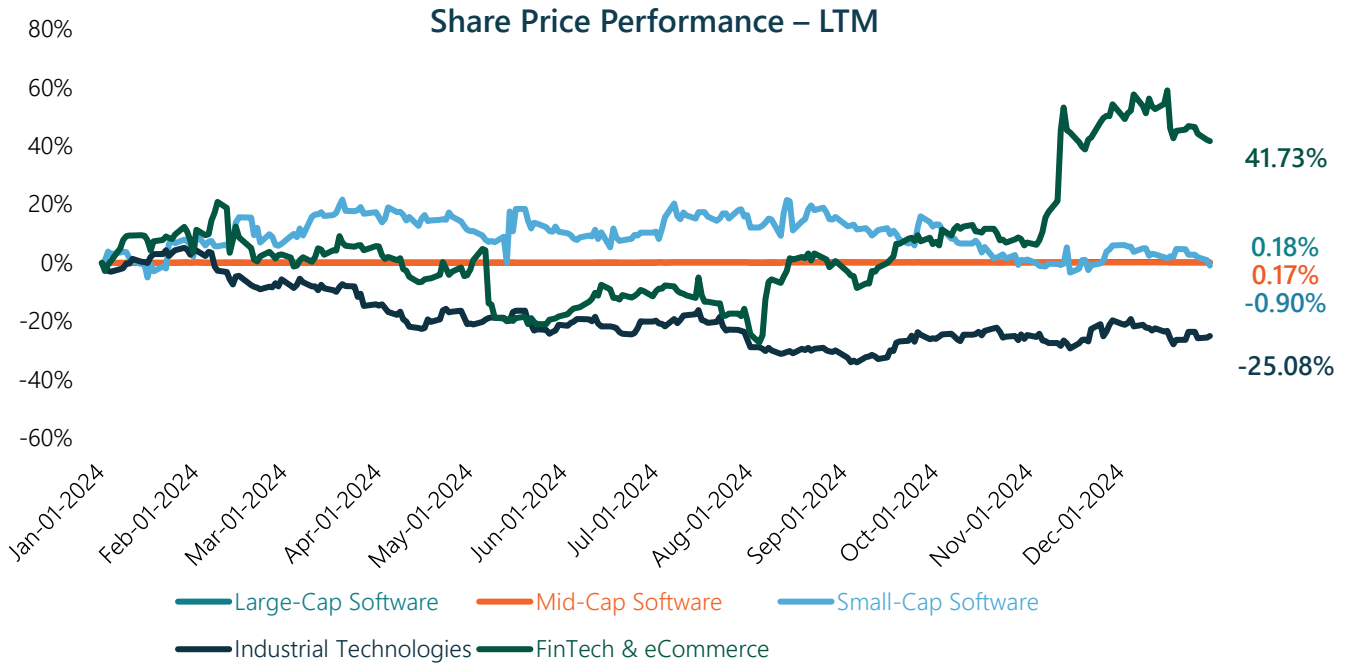


LTM EV/REVENUE



Public Comparable Analysis

Peer Group Performance



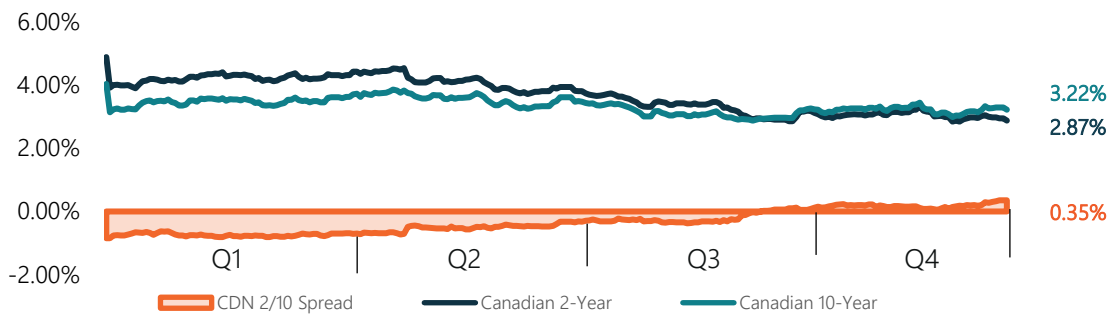
Macroeconomic Indicators

Key external drivers that affect the technology industry include changes in inflation rates (i.e., Consumer Price Index) and treasury yields. Treasury yields remained steady, with the Canadian two-year yields primarily remaining between 2.9% and 3.1% throughout the period. Conversely, U.S. 10-year yields have increased by more than 25 basis points (bps) throughout the period. The spread on two-year and 10-year Canadian and U.S. treasury yields remain positive slightly above 30 bps, marking the second consecutive quarter where the spread was positive.

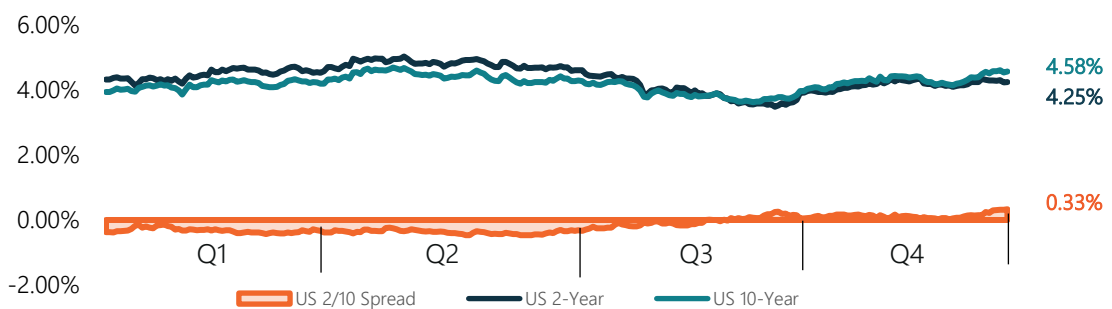
The Canadian Consumer Price Index measured 1.70% in December 2024, which represents a slight increase from 1.60% in Q3 2024. Similarly, the U.S. inflation rate increased from 2.44% to 2.89% in Q4 2024. Inflation continues to remain below the Bank of Canada's (BoC) target rate of 2%, which positioned the BoC to make two more interest rate cuts of 50 bps in the quarter.

The BoC overnight interest rate decreased from 4.25% to 3.25% as of December 31, 2024. The Federal Reserve (FED) continues to trail Canada with two 25 bps rate cuts in Q4 2024, consistent with the FED's goal to control inflation. Both Canada and the U.S. are expected to continue cutting interest rates in the coming months.

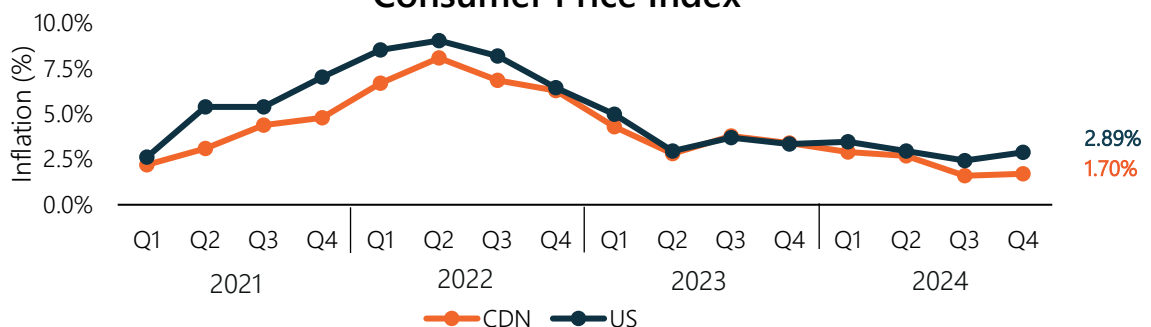
Canadian Government Bond Yields



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.

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 300 transactions worth more than \$5 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

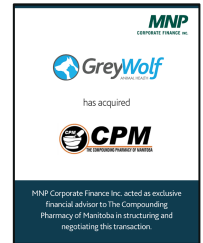
Services

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

Recently Closed Deals (National)



MNP Corporate Finance Inc. provided financial and tax due diligence services to ATCO Structures & Logistics.



MNP Corporate Finance Inc. acted as exclusive financial advisor to The Compounding Pharmacy of Manitoba in structuring and negotiating this transaction.



MNP Corporate Finance Inc. provided financial due diligence services to Argyle Capital Partners.



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



MNP Corporate Finance Inc. provided financial due diligence services to Beedie Capital.



MNP Corporate Finance Inc. provided vendor due diligence services to SSR Roof Supply Ltd.



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



MNP Corporate Finance Inc. provided financial due diligence services to Allnorth Global Consultants Inc.



MNP Corporate Finance Inc. provided financial due diligence services to Kuzco Group.



MNP Corporate Finance Inc. acted as exclusive financial advisor to R2O Inc. in structuring and negotiating this transaction.

About Us



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.

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.



Recently Closed Deals (National)

MNP Corporate Finance Inc. provided financial and tax due diligence services to Beedie Capital.

MNP Corporate Finance Inc. provided vendor due diligence services to Scott Springfield Mfg. Inc.

MNP Corporate Finance Inc. provided financial and tax due diligence services to CAI Capital Partners.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Gestalt Capital.

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

MNP Corporate Finance Inc. acted as exclusive financial advisor to Sommers Generator Systems in structuring and negotiating this transaction and providing vendor due diligence services.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Château des Charmes Wines Ltd. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Uni-Select Inc.

MNP Corporate Finance Inc. acted as exclusive financial advisor to G. Williams Paving Ltd. & Williams Hot Mix Ltd. in structuring and negotiating this transaction.

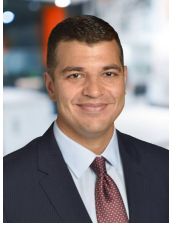
MNP Corporate Finance Inc. acted as exclusive financial advisor to Légère Invest Ltd. in structuring and negotiating this transaction.

Leadership Team

Transaction Leadership



Brett Franklin
President
Winnipeg
Brett.Franklin@mnp.ca
204.336.6190



Aleem Bandali
Managing Director
Vancouver
Aleem.Bandali@mnp.ca
778.374.2140



Bryce Davis
Managing Director
Vancouver
Bryce.Davis@mnp.ca
604.637.1514



Mike Reynolds
Managing Director
Calgary
Mike.Reynolds@mnp.ca
587.702.5909



Mark Reynolds
Managing Director
Calgary
Mark.Reynolds@mnp.ca
403.536.5548



Mark Regehr
Managing Director
Edmonton
Mark.Regehr@mnp.ca
780.969.1404



Erik St-Hilaire
Managing Director
Winnipeg
Erik.St-Hilaire@mnp.ca
204.336.6200



Stephen Shaw
Managing Director
Toronto
Stephen.Shaw@mnp.ca
416.515.3883



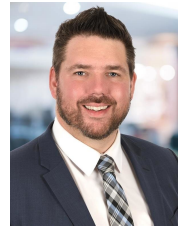
Kevin Tremblay
Managing Director
Toronto
Kevin.Tremblay@mnp.ca
647.943.4051



Jon Edgett
Managing Director
Waterloo
Jon.Edgett@mnp.ca
519.772.7460



Patrick Khouzam
Managing Director
Montreal
Patrick.Khouzam@mnp.ca
514.228.7874



David Bouchard
Managing Director
Québec
David.Bouchard@mnp.ca
418.425.1857



Jean-Raymond Lafond
Managing Director
Drummondville
Jean-Raymond.Lafond@mnp.ca
819.473.7251



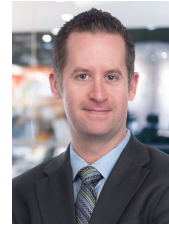
Jasmin Allard
Managing Director
Sherbrooke
Jasmin.Allard@mnp.ca
819.560.7856



Jonathan Banford
Managing Director
Chicoutimi
Jonathan.Banford@mnp.ca
418.696.3924



Frédéric Fortin
Managing Director
Chicoutimi
Frederic.Fortin@mnp.ca
418.696.4561



Craig Maloney
Managing Director
Halifax
Craig.Maloney@mnp.ca
902.493.5430

Due Diligence Leadership



Johnny Earl
Managing Director
Vancouver
Johnny.Earl@mnp.ca
604.637.1504



Jonathan Conly
Managing Director
Vancouver
Jonathan.Conly@mnp.ca
604.637.1516



John Caggianiello
Managing Director
Toronto
John.Caggianiello@mnp.ca
416.513.4177



Wilson Lai
Managing Director
Toronto
Wilson.Lai@mnp.ca
289.695.4386



Saad Arif
Managing Director
Toronto
Saad.Arif@mnp.ca
647.943.4104



David Cyr
Managing Director
Montreal
David.Cyr@mnp.ca
514.884.1764