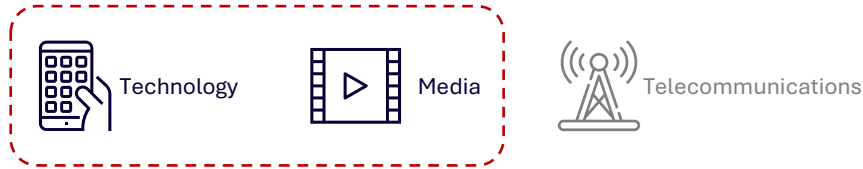


1 | TTS and TMT main differences

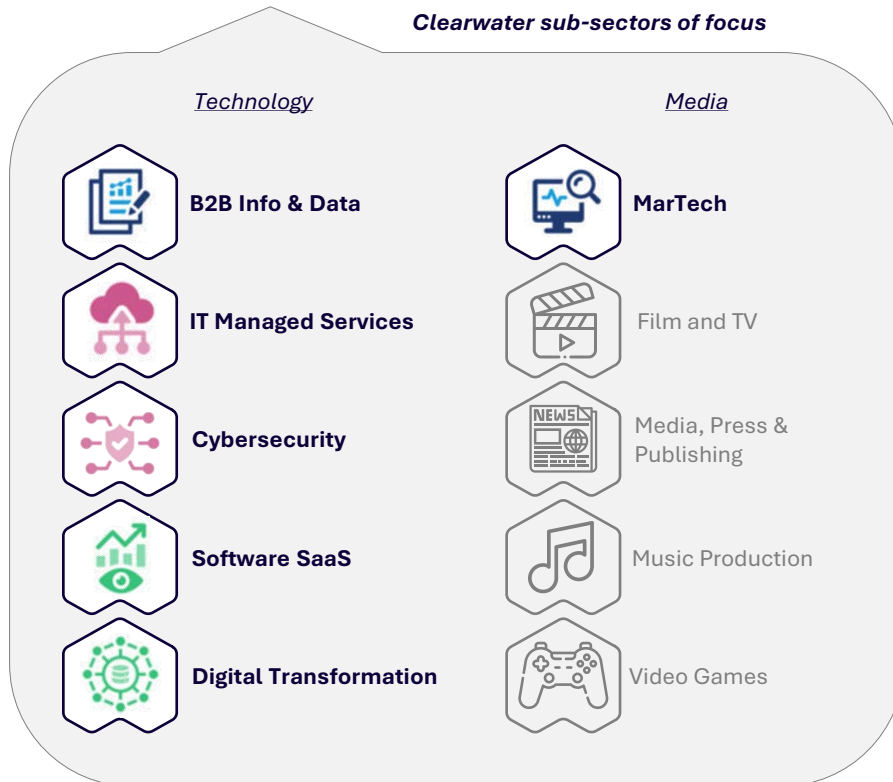


Clearwater focuses on the Tech and Tech Services (TTS) sector, a sub-sector of TMT

Definition of TTS within the TMT sector



Clearwater sub-sectors of focus



TTS Subsectors

Data Analytics



- Data Governance
- Forecasting
- Predictive Maintenance
- Proprietary Data Sets
- Customer Intelligence
- AI / Gen AI
- Proprietary Platforms

MarTech



- Performance Marketing
- Digital Marketing
- AdTech
- Loyalty & Engagement
- Customer Experience
- Marketplaces
- CRM

Cyber Security



- Network & End-point
- Threat Detection & Intelligence
- Identity & Access Management
- Data & Cloud Security
- Encryption & Cryptography
- Online Community Security
- Compliance
- Cybersecurity Consulting

Software / SaaS



- Software-as-a-Service
- Verticalized Solutions
- ERP / CRM / MES / WMS / ...
- Horizontal Applications
- Mobile Apps

Digital Transformation



- System Integrators
- Custom Software / App Development
- Managed Services
- IT Consulting
- Services Related to Software re-sale

2.1 | Global TMT Market Overview



The consolidation of key software players, advances in generative AI, higher certainty on interest rates, and record available capital to invest mean that the M&A TMT market could see a large increase in deals in the following months

Key facts

\$5.1tn

Global Market Value of TMT sectors

5.5bn

People connected to the internet worldwide

\$196bn

Total TMT Deal Value in 1H24

\$52bn

European TMT Deal Value 1H24

\$496bn

Total TMT Deal Value in 2023

17%

TMT Share of Global M&A Activity in 2023

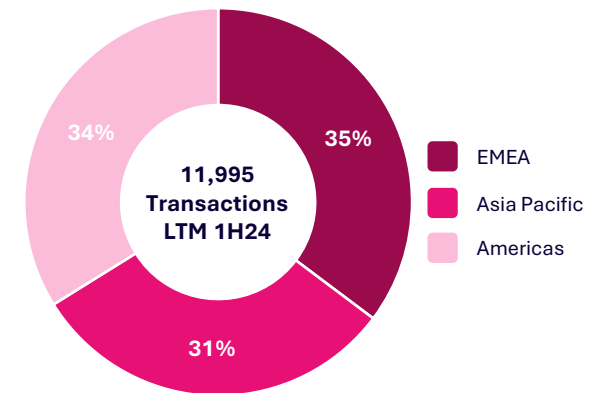
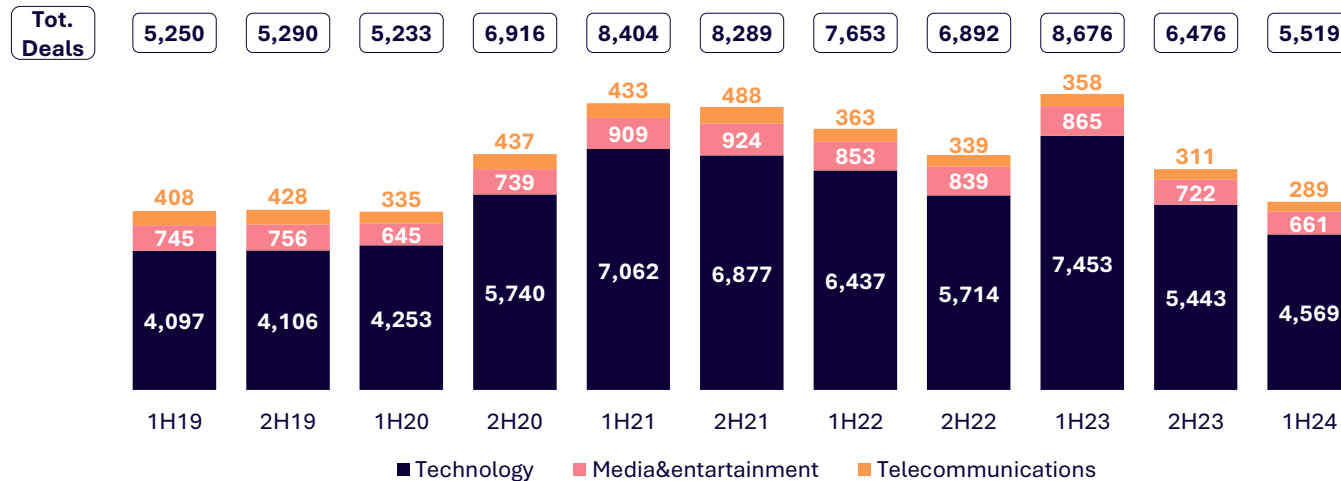
69%

Software Share of Technology M&A Activity in 2023

60%

PE Share of Software Deals in 1H24

Global M&A transactions in the TMT sector (1H19 – 1H24)



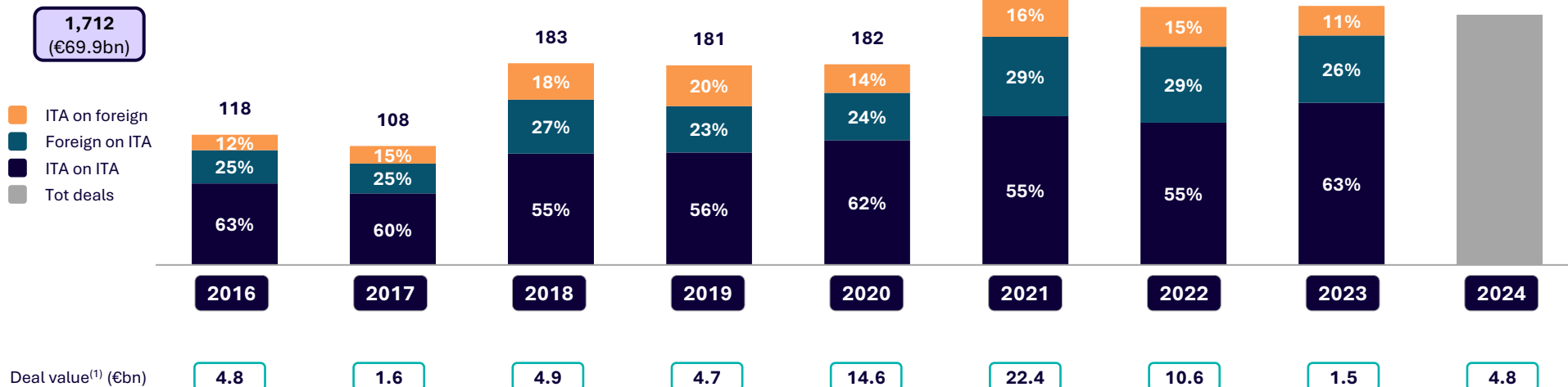
2.2 | Italian TMT M&A Market Landscape



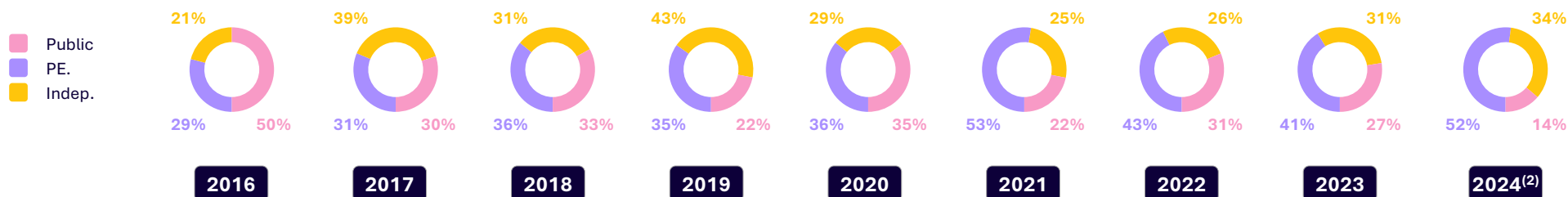
The Italian TMT market saw a significant growth in deal volumes over the last decade, highlighting the consolidation process in the sector primarily driven by private equity funds

Deal volumes by geography

of deals '16-'24



Deal volumes by type of buyer



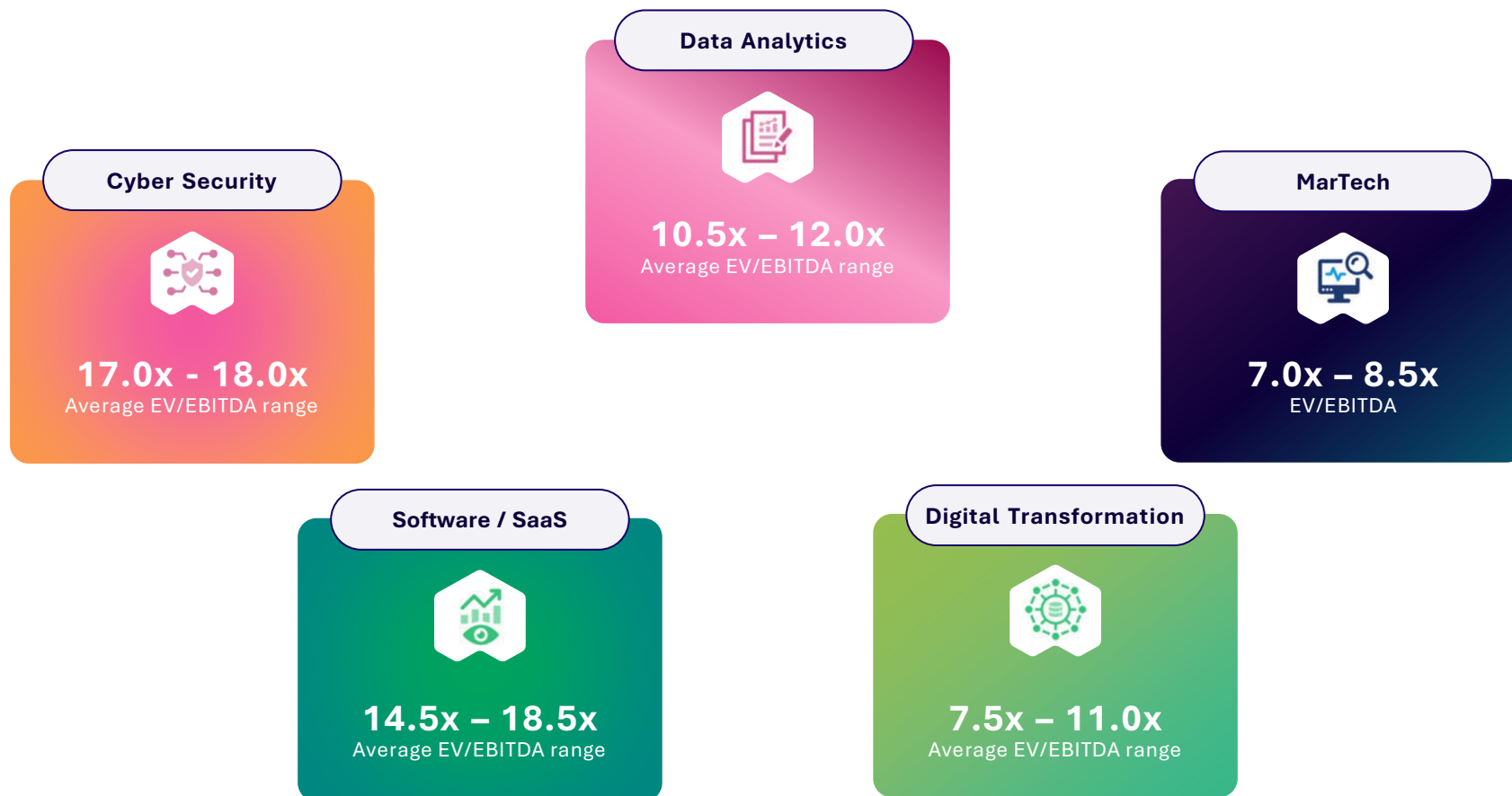
Note(s): (1) Limited to deals with disclosed values; (2) Analysis until Jul-24

Source(s): CW analysis on publicly available information

2.2 | Valuations in the TTS sector: precedent transactions



Average valuations in precedent tech transactions range between 7.0x and 18.5x EV/EBITDA, with Software / SaaS and Cybersecurity segments showing outstanding high-double-digit multiples



- Multiples are calculated based on panels of transactions from the **last 5 years in Italy**
- Note that **multiples vary from company to company** depending on business (even sub-sectors encompass diverse segments), strategic positioning, size, prospective growth, marginality, and other factors

2.2 | Valuations in the TTS sector: top 5 listed firms



Reply, WIIT, TXT e-Solutions, Tinexta and CY4gate are the Italian listed tech companies with the highest market capitalization, showing average EV/Sales '25 of 2.1x and EV/EBITDA '25 of 9.1x



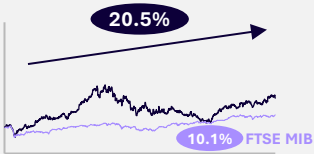
Revenues '23: **€2,118m**
EBITDA '23: **€352m (16.6% margin)**
Mkt Cap: **€5,674m**

Revenues '23: **€129m**
EBITDA '23: **€47m (36.4% margin)**
Mkt Cap: **€500m**

Revenues '23: **€224m**
EBITDA '23: **€32m (14.1% margin)**
Mkt Cap: **€435m**

Revenues '23: **€396m**
EBITDA '23: **€94m (23.7% margin)**
Mkt Cap: **€372m**

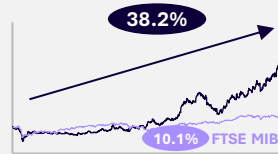
Revenues '23: **€67m**
EBITDA '23: **€12m (18.1% margin)**
Mkt Cap: **€111m**



L5Y Price Chart



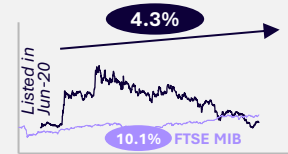
L5Y Price Chart



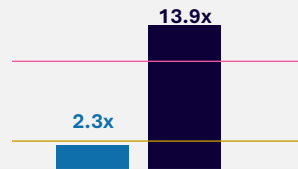
L5Y Price Chart



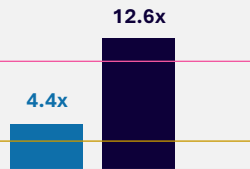
L5Y Price Chart



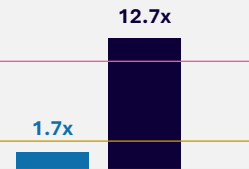
L5Y Price Chart



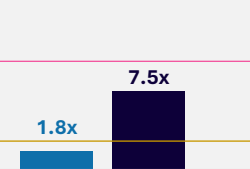
'24 Multiples



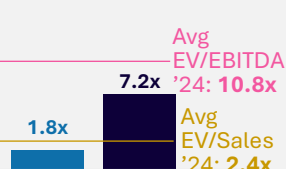
'24 Multiples



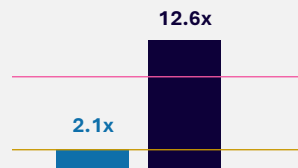
'24 Multiples



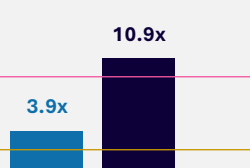
'24 Multiples



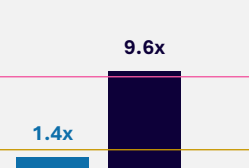
'24 Multiples



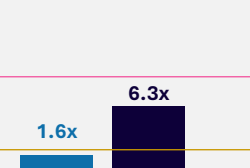
'25 Multiples



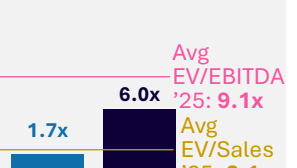
'25 Multiples



'25 Multiples



'25 Multiples



'25 Multiples

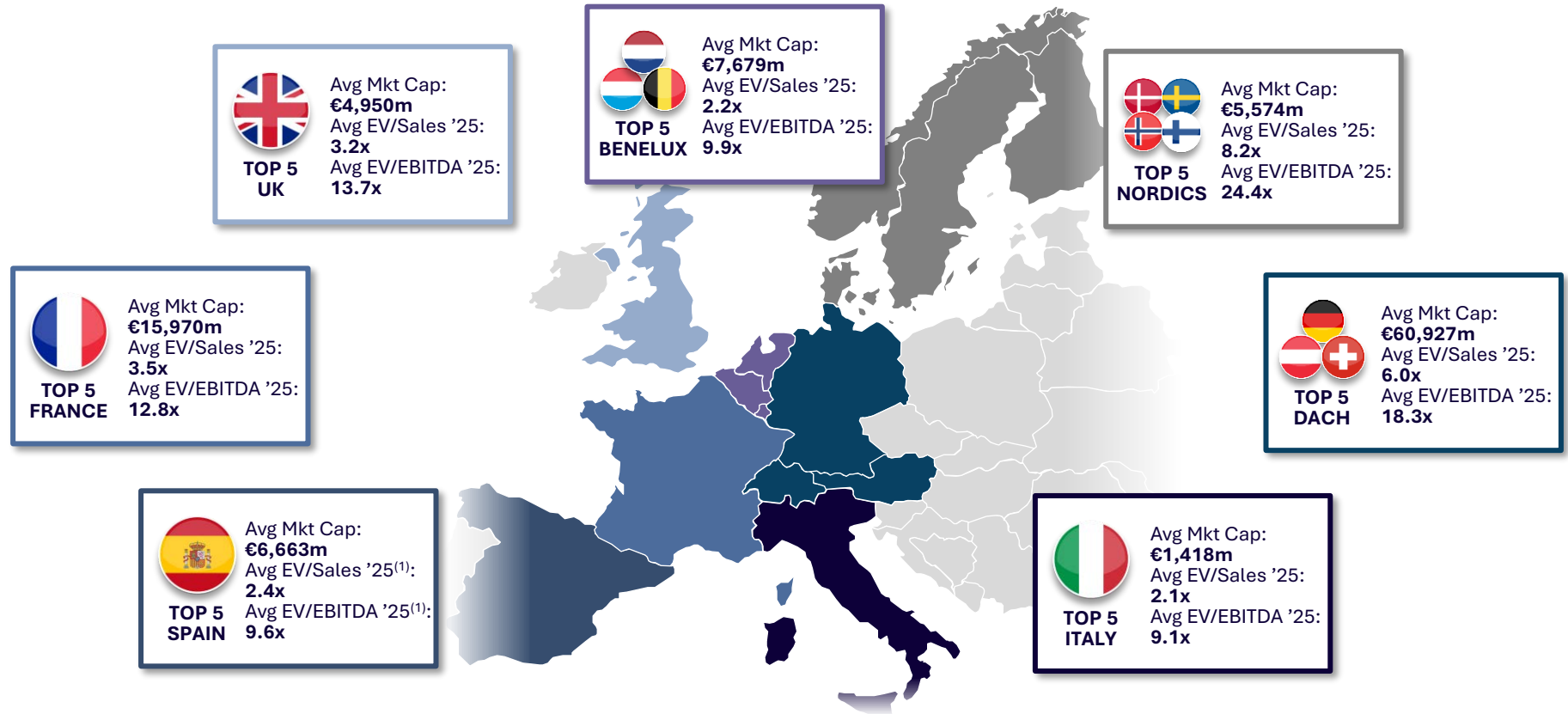
LEGENDA: Data Analytics Cybersecurity MarTech Software / SaaS Digital Transformation L5Y % CAGR EV/Sales EV/EBITDA

Note(s): Top 5 listed companies considers as criteria the Market Capitalization. SeSa S.p.A. not included as its business comprehends a relevant amount of software/hardware resale. Market Capitalization and multiples as of 08/01/2025. **Source(s):** CW analysis on publicly available information

2.2 | Valuations in the TTS sector: Italy vs. Rest of Europe



The top 5 Italian listed companies show an average Mkt Cap of €1.4bn and an average EV/EBITDA '25 multiple of 9.1x, the lowest if compared to other major European countries/regions: does this represent a threat or an opportunity?



ITALY SHOWS THE LOWEST AVERAGE SIZE AND VALUATIONS

LACK OF "PURE" SOFTWARE

Lack of listed pure software companies (the ones showing highest valuations) in the panel primarily due to (i) the scarcity of pure software companies in the Italian market and (ii) the historically low attractiveness of the Italian stock exchange for tech companies

LACK OF BIG PLAYERS

Absence of major tech players driving the economic ecosystem in the sector which could potentially positively impact the entire industry (e.g. SAP in Germany, Wolters Kluwer in the Netherlands)

OPPORTUNITY

Conducting M&As in Italy remains affordable, allowing for market consolidation

OR

THREAT

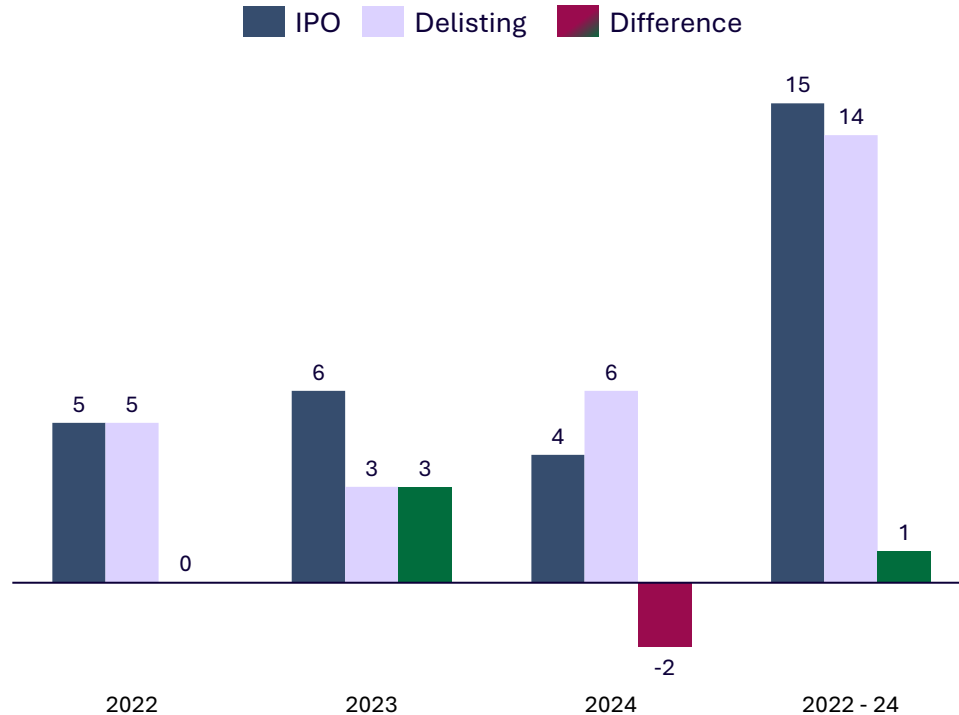
Risk of being "colonized" by other countries, should consolidation not be accelerated

2.2 | Italian TTS stock exchange market trend

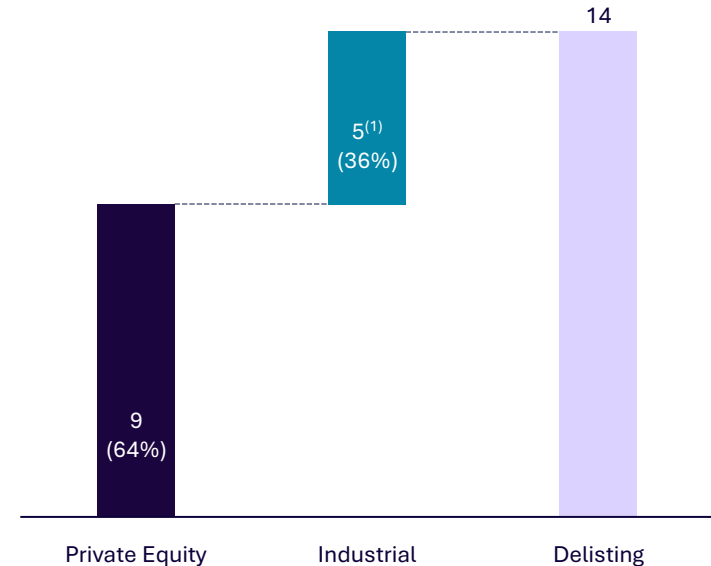


In the period 2022-24, there were 15 listings and 14 delistings in the TTS sector alone; private equity activity is confirmed as the main driver behind the analyzed delistings

TTS Companies' IPO vs. Delisting (2022-24)



Main M&A Driver for Delisting



TTS Delisted Companies (2022-24)



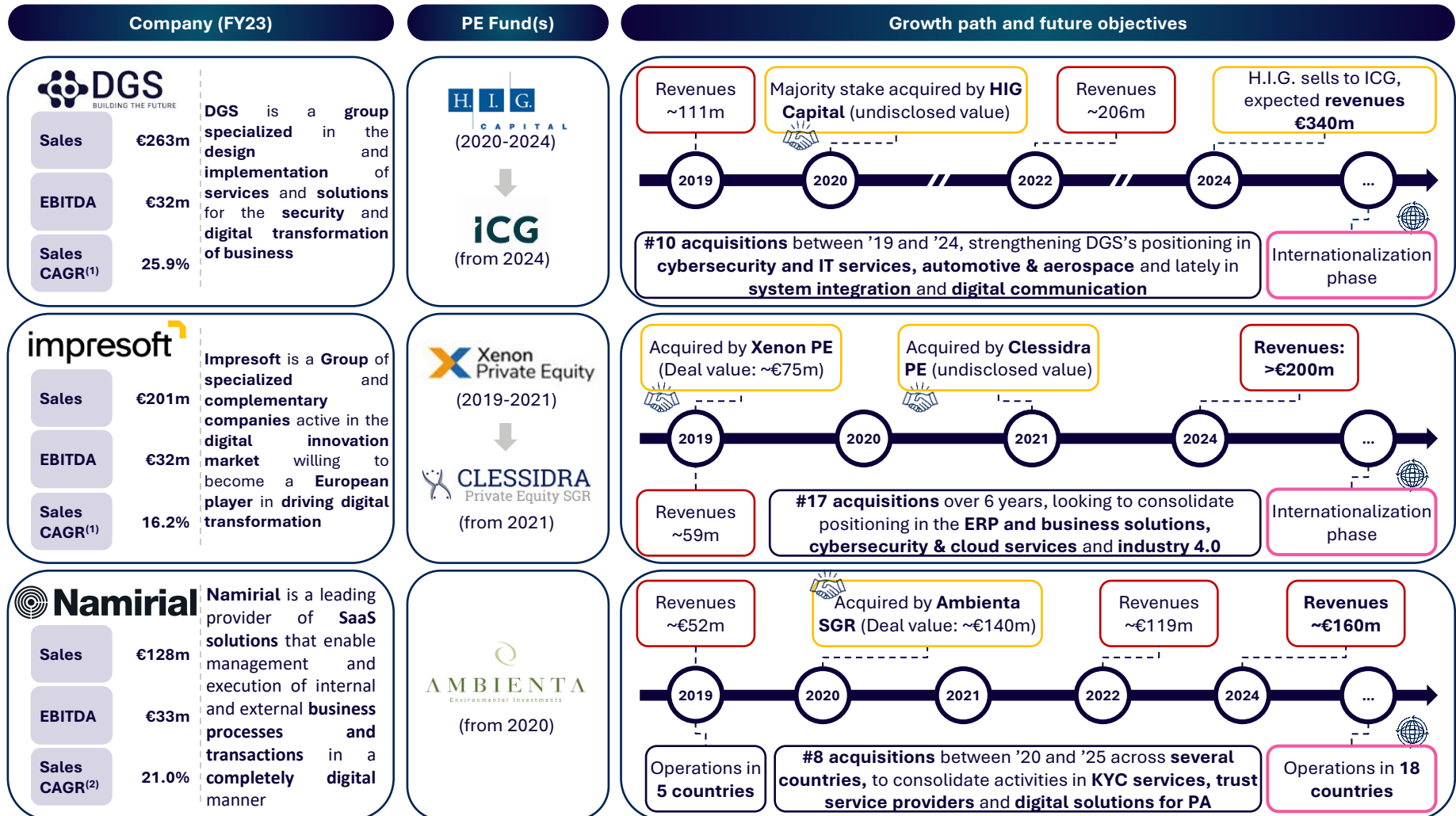
Note(s): (1) Including Exprivia, which was delisted directly by the entrepreneur through his holding (Abaco Holding)

Source(s): CW analysis on publicly available information

2.3 | Introduction to the Italian TTS Market Leaders^(1/3)



An increasing number of Italian companies, backed by PE funds, have been significantly growing over the past years setting the basis for a further expansion at an international level



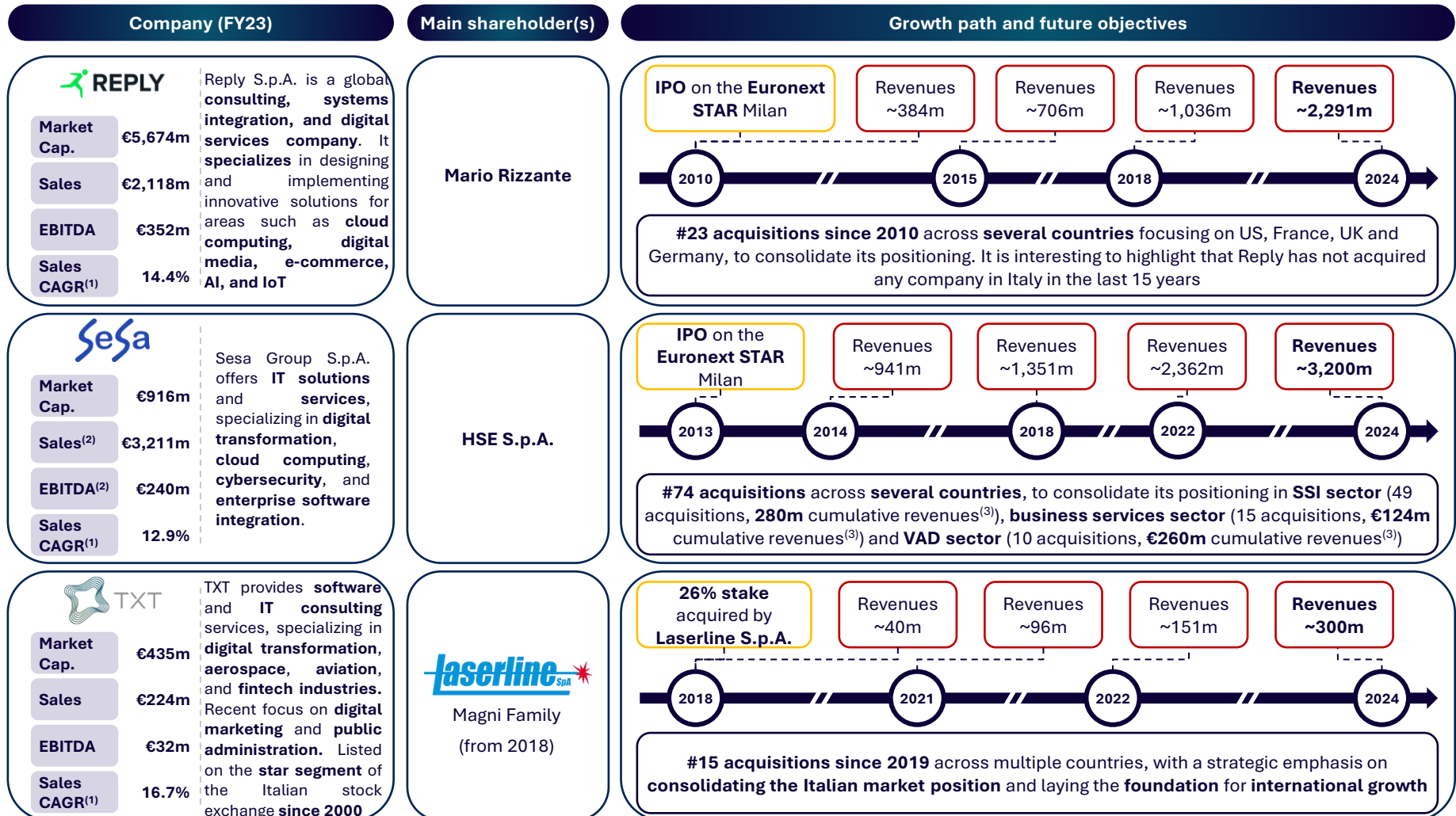
Note(s): (1) CAGR '14-'23; (2) CAGR '16-'23

Source(s): CW analysis on publicly available information

2.3 | Introduction to the Italian TTS market leaders_(2/3)



A similar trend was observed with public companies...






Note(s): (1) CAGR '14-'23; (2) FYE at April, FY24; (3) LTM target revenues at the time of acquisition

Source(s): CW analysis on publicly available information

2.3 | Introduction to the Italian TTS Market Leaders_(3/3)



...and private (non PE-backed) companies

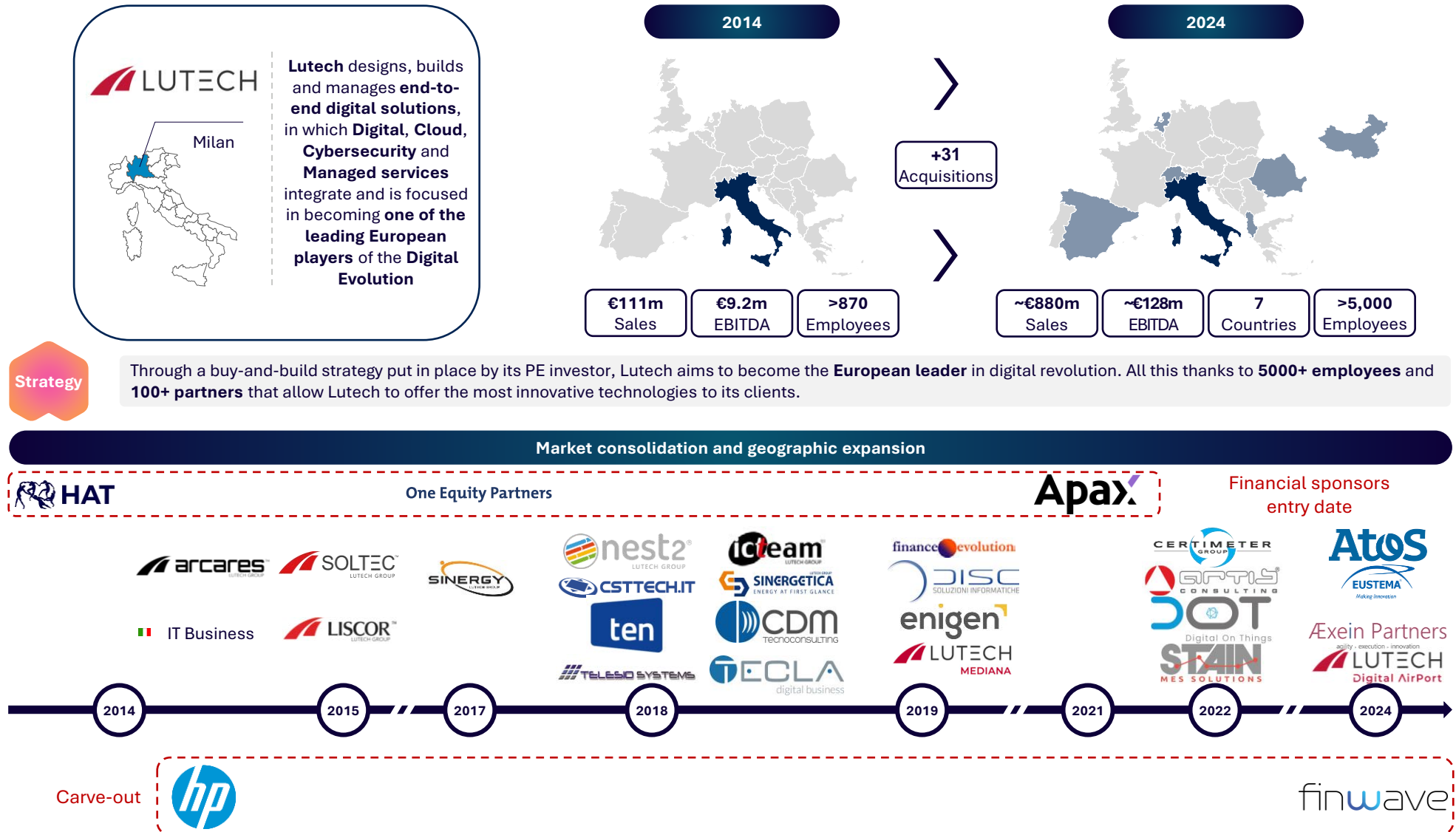
Company (FY23)	Owner(s)	Growth path and future objectives
 ZUCCHETTI Zucchetti SpA is a software company specializing in IT solutions for payroll, human resources, security management, and point-of-sale systems, serving global markets. <div> <div>Sales</div> <div>€1,914m</div> </div> <div> <div>EBITDA</div> <div>€415m</div> </div> <div> <div>Sales CAGR⁽¹⁾</div> <div>22.8%</div> </div>	Zucchetti Family	<div> <div>Revenues ~356m</div> <div>2016</div> <div>Revenues ~€959m</div> <div>2020</div> <div>Revenues ~€2,000m</div> <div>2024</div> <div>Future growth plans centered on both organic and external opportunities</div> <div>...</div> </div> <div>~200 acquisitions in the last 10 years, across several countries in order to expand its capabilities in ERP, management software providers, HR and payroll solutions, healthcare and facility management, accounting/tax solutions, cloud and cybersecurity providers</div>
 DEDAGROUP Dedagroup provides IT solutions for digital transformation, specializing in ERP systems, financial services, and public administration software <div> <div>Sales</div> <div>€327m</div> </div> <div> <div>EBITDA</div> <div>€30m</div> </div> <div> <div>Sales CAGR⁽¹⁾</div> <div>6.1%</div> </div>	Lillo S.p.A. Podini and De Rivo families	<div> <div>Revenues ~€235m</div> <div>2018</div> <div>Revenues ~€244m</div> <div>2020</div> <div>Most of the acquisitions were carried out between 2021 and 2024. Focus on cutting-edge sectors (AI/Data analysis)</div> <div>2021</div> <div>2024</div> <div>2025</div> <div>Revenues ~€600m</div> </div> <div>#15 acquisitions across several geographies (US, UK and Italy) in the financial services/banking, public administration, ERP and business management sectors.</div>
 avvale Avvale S.p.A. is a local digital services company offering consulting, IT solutions, and digital transformation services, specializing in sustainability, data analytics, cloud technologies, and ERP implementations for various industries <div> <div>Sales</div> <div>€295m</div> </div> <div> <div>EBITDA</div> <div>€38m</div> </div> <div> <div>Sales CAGR⁽¹⁾</div> <div>19.1%</div> </div>	Mr. Domenico Restuccia	<div> <div>IPO on the Euronext market as Techedge</div> <div>2018</div> <div>Revenues ~€180m</div> <div>2021</div> <div>Revenues ~€213m</div> <div>Delisting by Mr. Restuccia after failed attempt by One Equity Partners</div> <div>2022</div> <div>2024</div> <div>Revenues ~€252m</div> <div>Revenues ~€360m</div> </div> <div>#10 acquisitions across multiple geographies allowed Avvale to expand in IT and consulting, sustainability/ESG solutions, ERP business solutions, data analytics and AI</div>

Note(s): (1) CAGR '14-'23;

Source(s): CW analysis on publicly available information

2.3 | Case study – Lutech

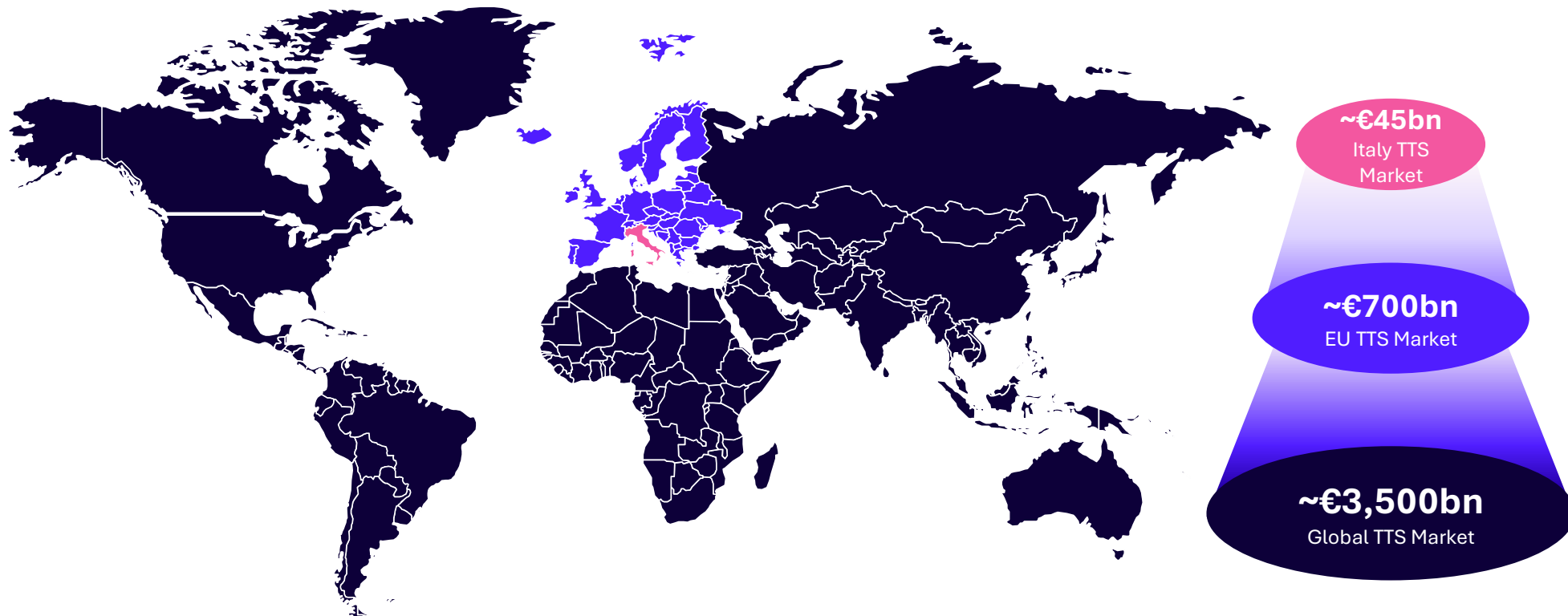
Overview of the company's consolidation process through a buy-and-build strategy led by PE investors



2.4 | Conclusions and final remarks



The future success of the Italian TTS sector lies on the ability of the key players to consolidate their positioning abroad and to take advantage of the current nearshoring trend, leveraging on the local competencies and exploiting the PNRR



CONSOLIDATION IN EUROPE AND GLOBALLY

Italian tech leaders have a unique opportunity to expand their addressable market by looking beyond Italy (where the market is becoming saturated). They can tap into international opportunities, leveraging M&A strategies to fuel growth both in Europe and globally

EXPLOITING THE NEARSHORING TREND

Italy is well-positioned to capitalize on the growing nearshoring trend, establishing itself as a key player in the global tech landscape

LEVERAGING LOCAL COMPETENCIES

Although the full potential of Italy's tech competencies is yet to be fully realized, the country possesses a strong foundation of skills and expertise. These local competencies are essential for the future development and growth of the sector

MAXIMIZING PNRR IMPACT

While the PNRR has a limited time horizon, the resources allocated under this initiative can provide a significant boost to the tech sector, acting as a catalyst for innovation and growth

3 | Our TTS Team



Our dedicated professionals has a good experience in the sector and completed over 20 transactions in the last 3 years involving from food packaging and processing companies to ingredients, fresh and ambient food producers

Clearwater TTS Team



Marco Morfino
Managing Partner

- 30+ years of experience
- With a degree in Industrial Technology Engineering Marco started his career at **Jmac**, **Arthur D Little** and **Fineurop Soditic**, where he worked until **2022** overseeing significant international operations
- Currently he teaches *IT for Company Networks* at **SUPSI** within the Bachelor's degree program in Management Engineering.
- **Joined Clearwater in September 2022**



Stefano Goldberg
Associate

- Prior to joining Clearwater, Stefano worked within the M&A advisory team of **Ernst&Young** in Milan for more than 5 years.
- In 2015 he completed a BA in International Business with a major in finance from **Regent's University** in London
- **Stefano joined Clearwater in March 2022**



Gabriele Rossetti
Associate

- After experiences in the financial departments of **Glaxosmithkline** and **Burger King**, Gabriele worked at **Pigreco Corporate Finance** and **Cross Border**, participating in certain phases of extraordinary transactions
- **He joined the Clearwater in July 2021**



Matteo Eusebio
Analyst

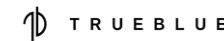
- Prior to joining Clearwater, Matteo worked at **Alisea Corporate Finance**, an Italian M&A boutique
- In 2020 he completed a MSc. in Finance at **EADA Business School** in Barcelona after got a degree in Business Administration at **Università Cattolica del Sacro Cuore** in Milan
- **He joined Clearwater in April 2022**



Alessandro Iodice
Business Development

- Before joining Clearwater, Alessandro gained extensive experience at leading firms, including **goetzpartners**, **Alkemy**, **Deloitte**, and **Unicredit**
- In addition, he serves as an adjunct professor of competitive strategy at **LUISS University**
- In 2014, he earned a MSc. in Business Administration from **LUISS University**
- **He joined Clearwater in October 2024**

Selected Relevant Experience



International TTS Coverage



Wesley Fell-Smith
Managing Partner
Head of CW TTS



Tim Monnin
Managing Partner
KeyBank Capital Markets



Axel Oltmann
Managing Partner



Edward Gale
Partner



Per Surland
Partner



David Serra
Partner



Sam Nolan
Partner



José Lemos
Partner



Henrik Falkenby
Director



Harald Miedema
Partner



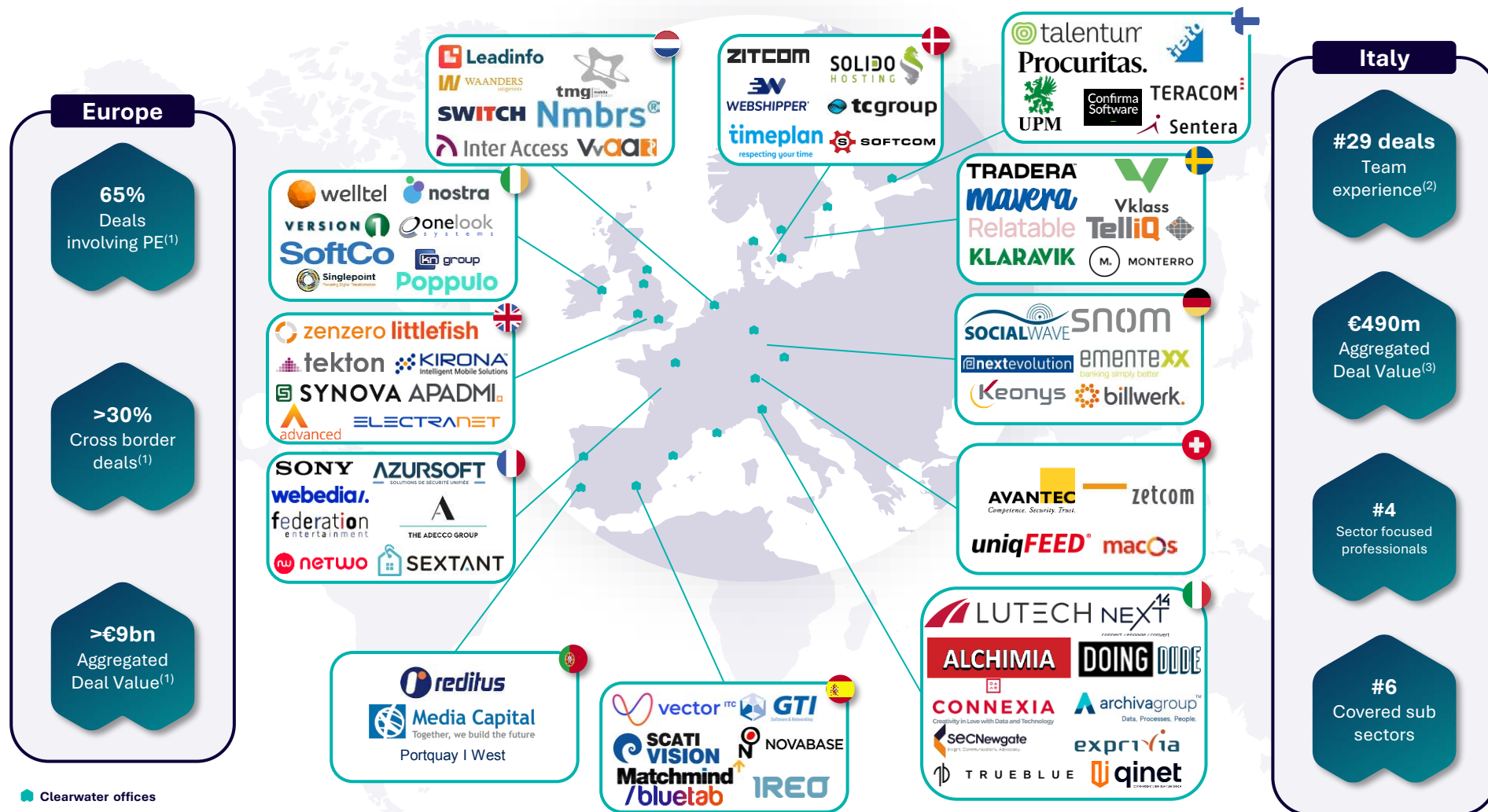
Barry Chen
Partner



3 | Clearwater: our international presence



With offices in Europe, Asia and the US, Clearwater combines deep sector expertise, relevant transaction experience and global reach



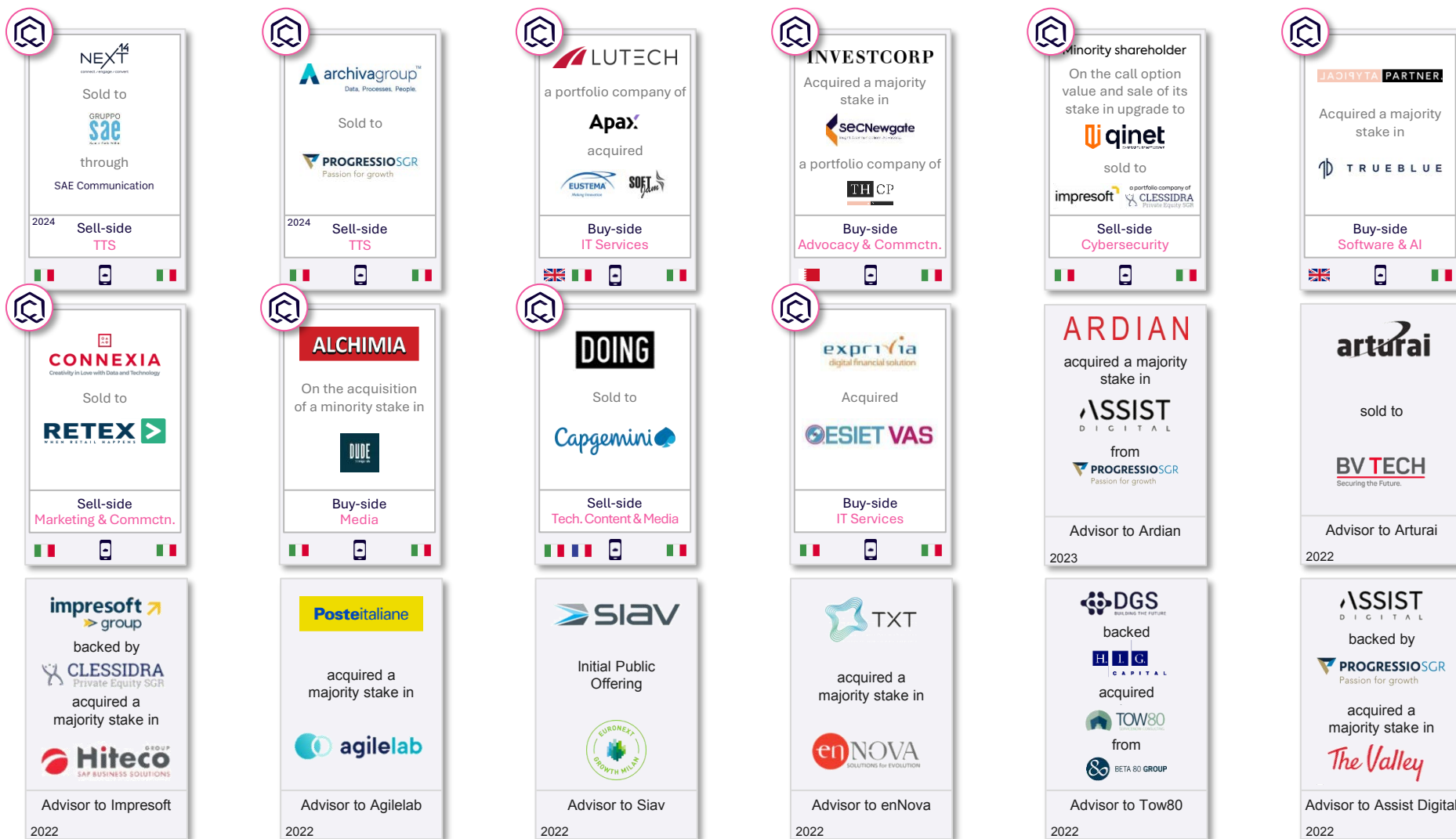
Note(s): (1) in the last 5 years; (2) including previous experiences; (3) limited to CW track record

3 | Clearwater Italy: our track-record in the TTS sector



Over the past 7 years, our TTS professionals have given their advice on #29 successful transactions...

Previous experience



Note(s): flags to the left for Clearwater Italy's client nationality, flags to the right for counterpart's nationality.

3 | Clearwater Italy: our track-record in the TTS sector



...at an international level

Previous experience

<p>listed on Euronext Growth Milan</p> <p>acquired a majority stake in</p> <p>Advisor to Cryptonet</p> <p>2022</p>	<p>backed by</p> <p>acquired a majority stake in</p> <p>Advisor di SEC Newgate</p> <p>2022</p>	<p>completed the take-private of its share listed on</p> <p>Advisor di SEC Newgate</p> <p>2022</p>	<p>acquired a majority stake in</p> <p>from private shareholders</p> <p>Advisor to Investcorp</p> <p>2022</p>	<p>acquired</p> <p>Advisor to EY</p> <p>2021</p>	<p>acquired a 30% stake in</p> <p>Advisor to Progressio</p> <p>2020</p>
<p>acquired a controlling stake in</p> <p>Advisor to H.I.G. Capital</p> <p>2020</p>	<p>acquired</p> <p>Advisor to Accenture</p> <p>2020</p>	<p>backed by</p> <p>acquired</p> <p>Advisor to List</p> <p>2019</p>	<p>acquired a majority stake in</p> <p>Advisor to Equinox</p> <p>2019</p>	<p>acquired a majority stake in</p> <p>Advisor to Apax Partners</p> <p>2018</p>	



Unleashing potential.
Unlocking the future.