

EY Software Value Scorecard

A strategy session designed to create a roadmap towards exit readiness and increased value

EY Technology M&A Advisory



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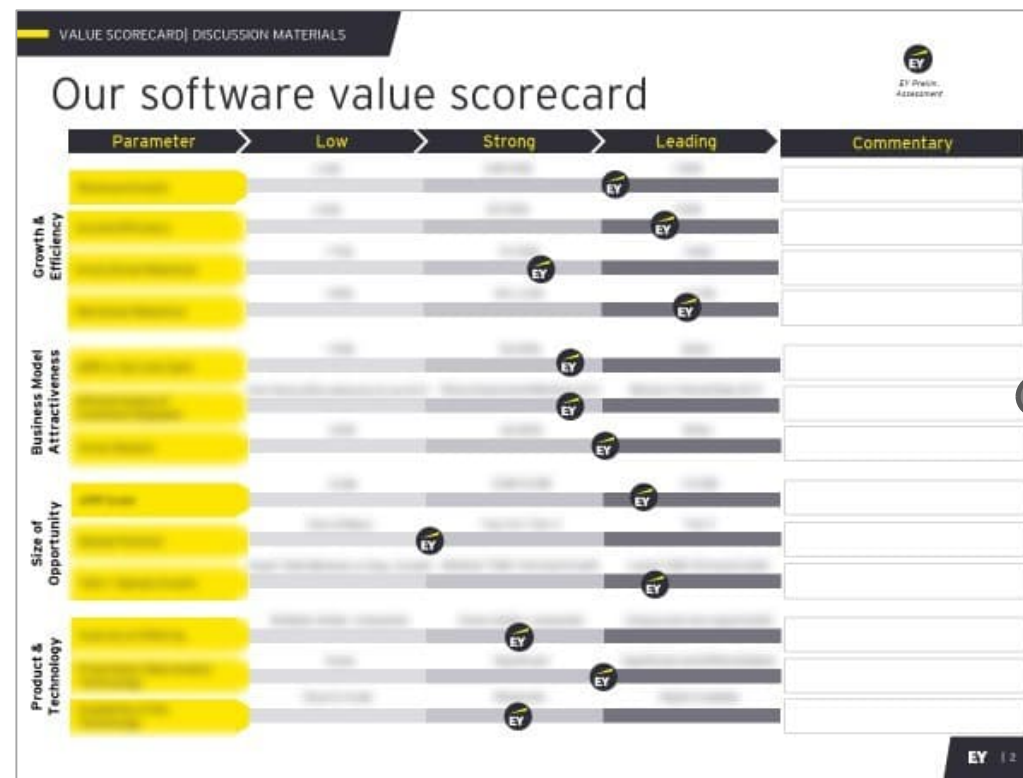


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No matter where a software business is in its lifecycle, shareholders must continuously assess the business's key value drivers- to ensure they are well positioned for an eventual exit.

We offer our session on the Software Value Scorecard to software businesses planning an exit in the near-to-medium term.

Whether used ahead of a potential exit or to orient your key stakeholders towards key performance metrics that make your business more attractive, several leading companies have found the session very valuable.



Key components of the session⁽¹⁾ include:

1. Objective alignment

Objective: Stakeholder alignment is critical when preparing for an exit. For the session, we encourage you to bring as many stakeholders as possible. In previous sessions companies have brought shareholders, investors, board members and key management.

Targeted outcome: This component includes a discussion by participants on various objectives - that are directly relevant to an exit - with the goal of building alignment in advance of a potential exit.

2. EY's Proprietary Value Scorecard⁽²⁾

Objective: We leverage our proprietary value scorecard, which includes the key drivers that ultimately determine value for businesses in the software space. This scorecard is based on proprietary deal insights from numerous software transactions we've advised⁽³⁾ on, along with third party market data.

Targeted outcome: We help benchmark the company's current software metrics vs. its peers and understand its perceived strengths and weaknesses. We will provide you with our value assessment and engage in a discussion around each of the factors and its potential impact on value.

3. The exit readiness checklist

Objective: Our experience indicates a number of critical items are often overlooked when preparing for an exit. Based on our assessment of your business, we customize a checklist of key considerations across each of the key domains of your business (e.g. strategy, finance and tax, technology, legal) that will help you be more prepared for an eventual exit.

Targeted outcome: A specific list of items that your team can work on ahead of a transaction and a better view of the key considerations for a successful deal.

4. Gap analysis and debrief

Objective: We layer in your feedback from the session to our assessment from EY's Proprietary Value Scorecard. This in turn, is used to identify gaps, along with near-term and long-term action items.

Targeted outcome: Create alignment around optimal timing, preferred structure and key performance/ business milestones to improve outcomes

(1) The session usually takes ~3-4 hours to complete. We require a limited list of company information one to two weeks in advance to prepare for the session.

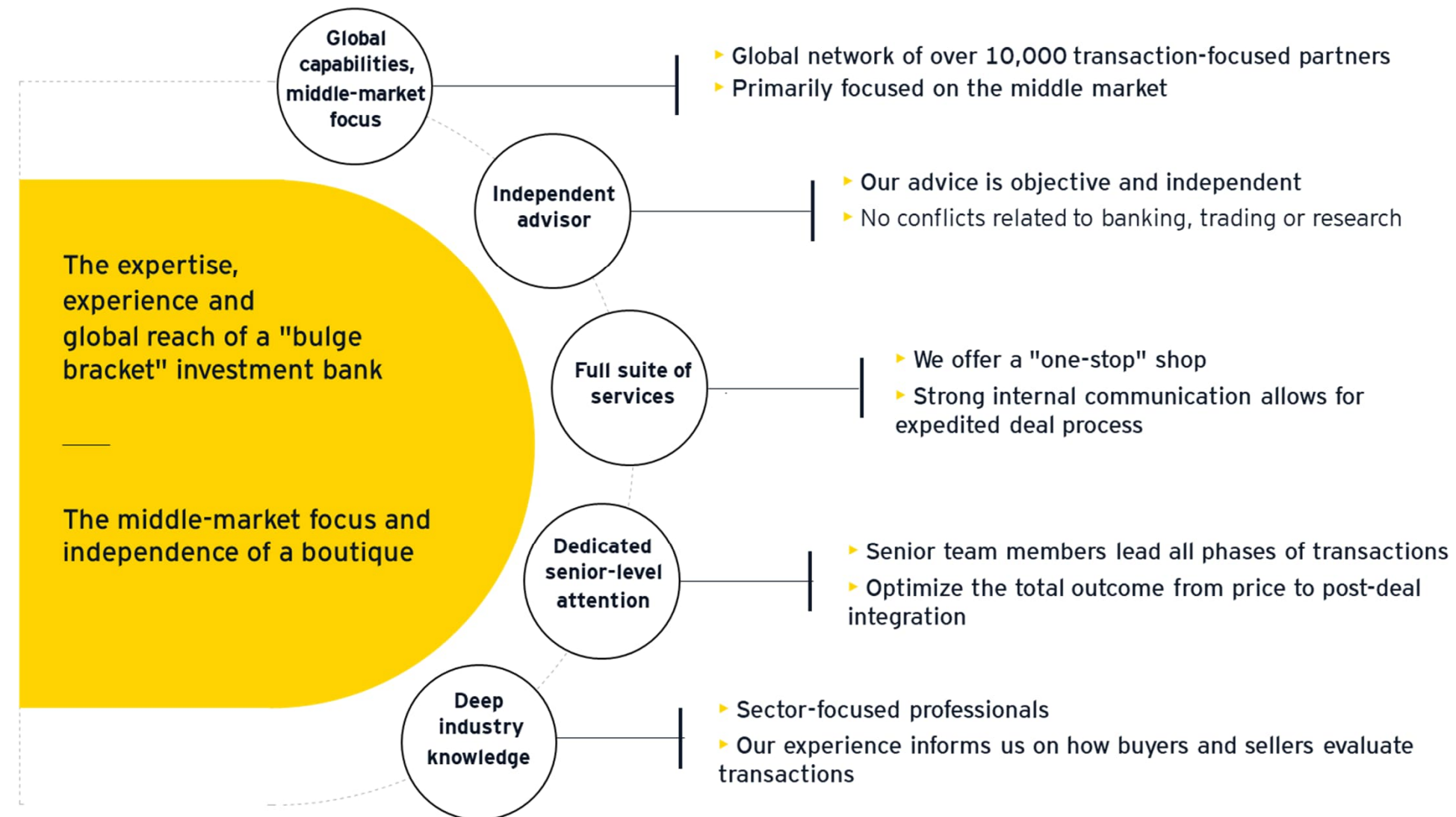
(2) This scorecard has been developed for proprietary use by EY

(3) EY is one of the most active technology M&A advisors in the Canadian private mid-market with significant activity and credentials in software

EY¹ is one of Canada's largest mid-market focused corporate finance advisory firms

We provide sector-specific advice on mergers, acquisitions and divestitures, debt and equity capital markets, and real estate and infrastructure transactions. We also advise on corporate strategy. We bring deep industry knowledge to every transaction to support your corporate finance strategies and priorities. We can help you navigate your business issues, capitalize on your transaction opportunities and achieve your strategic objectives.

How we're different



Our Technology M&A Team



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