

A flagship transaction in the digital signatures market

DEAL FLASH | TMT/PRIVATE EQUITY | SEPTEMBER 2022

DEAL SNAPSHOT

The shareholders of DigitalSign have sold a minority stake to Logalty, creating one of the largest electronic signature business groups in Europe.

Founded in 2005, DigitalSign is a qualified trust service provider, accredited under the European eIDAS regulation and the ICP-Brazil regulation, operating in Europe and Brazil and offering the most demanding digital certification services. DigitalSign is the leading company in the Portuguese electronic signature and digital certification market, and one of the most important in the Brazilian market.

Backed by MCH Private Equity, Logalty is at the forefront of the legaltech sector in Spain, providing technological solutions for electronic identification, notification and contracting.

With this transaction, DigitalSign and Logalty join forces to create one of the largest electronic signature businesses in Europe. As a result of this union, the companies will share synergies, namely cross-selling opportunities in Europe, especially in Iberia, and also in Brazil.

“We chose to work with Oaklins because of its good reputation with SMEs and its experienced local team with a solid background, including its international reach to the top league of private equity and venture capital funds. They helped in every aspect of the transaction, going further than we expected in many areas and gaining the respect of potential buyers for their rigor and transparency. A sensible approach combined with the right knowledge made this complex journey easier and led to the best deal possible.”

FERNANDO MOREIRA
CEO AND FOUNDER
DIGITALSIGN, PORTUGAL

OAKLINS ASSISTS IN FINDING THE RIGHT PARTNER

Oaklins' team in Portugal acted as the exclusive M&A advisor to the shareholders of DigitalSign. The team was involved throughout the preparation of the sale, and supported the entire negotiation phase until closing.

MARKET TRENDS & DEAL DRIVERS

The digital signature market has been growing significantly in recent years, and is expected to grow at a compound annual growth rate (CAGR) of 33.1%, from US\$4 billion in 2021 to US\$16 billion in 2026.

Digital signature solutions provide many advantages, such as enhanced security, lower costs and increased efficiency. Furthermore, the constant need for data security during sensitive information transmission has led to a greater and faster rate of digital signature adoption. Factors such as the growing number of connected devices (smartphones, tablets and laptops), the increase of e-commerce and the adoption of cloud-based solutions will continue to drive the demand for digital signature services.

With the partnership established between DigitalSign and Logalty, the two companies will benefit jointly from the market drivers forecast for the coming years.

M&A VALUATION ASPECTS

The financial details of this transaction have not been disclosed.

Valuations in this market have a very wide bracket as they depend on many factors, including the quality and trustworthiness of the service provided, the company's growth path and its geographic footprint.

The lower a company scores on these factors, the more likely it is to have an EV/EBITDA valuation in the single-digit range. Companies that score high on all factors will see double-digit EV/EBITDA valuations.

TALK TO OUR ADVISORS



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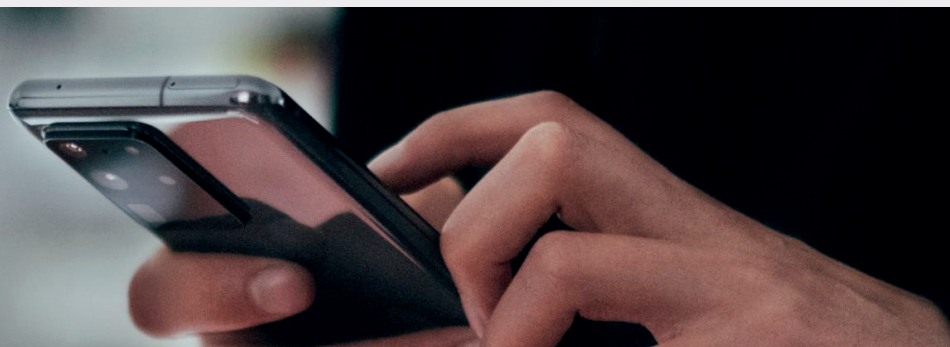


✉ VERA PINTO

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With more than 25 years' experience in corporate finance, private equity and venture capital in Portugal, Pedro has advised a number of clients across several industries. Recent transactions include the disposal of Confiança, a niche soap manufacturer, by Ach Brito, a company owned by Menlo Capital, and the fundraising for EQS with Iberis Capital.

Vera has over 14 years' experience in financial advisory and M&A. Recent transactions include the MBO of Joalpe, a plastic injection company focused on shopping baskets and retail store displays; the fundraising/project finance for Termoflorestal, a greenfield forest waste thermoelectric power plant; the acquisition of Tabacos Farinha and Joaquim Guimarães by FEPI, a distributor of tobacco and wine; and the acquisition of majority stakes in Internacional Tabacos and FEPI, both tobacco distribution companies, among other acquisitions for the FEPI Group.



OAKLINS HAS CLOSED 1,172 DEALS IN TMT

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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