

## Altium (ALU AU) / Renesas (6723 JP)

### Scheme of Arrangement

The deal spread appears to be driven by the expected closing in H2 and the large premium paid by Renesas.

### Regulatory Risks

- The deal requires ACCC, HSR, CFIUS, FIRB, German FDI, German Federal Cartel Office and Turkish Competition Authority approvals.
- Altium's acquisition stands as one of the most substantial in the Australian software sector, surpassing Oracle's 2018 purchase of the local construction software company Aconex for \$1.6 billion.
- We believe that the deal will be approved by the regulatory bodies mainly because Renesas and Altium do not have overlapping business segments.
- We note however that both Renesas and Altium are global leaders in their individual sectors.
- Although both companies are involved in the semiconductor industry, Renesas through production and Altium through design (and some of Renesas' customers use Altium's software), the deal should cause any vertical antitrust concerns.
- Altium's primary market position is in the mid-market segment and through its offerings for enterprises. The company offers one of the most competitive PCB design software but it has major competitors such as Siemens, Autodesk, Cadence and Zuken.
- The lower end of the PCB design software market is characterized by significant fragmentation. Numerous open-source and free options, like those provided by KiCad and DipTrace, deliver strong performance suitable for hobbyist, individual, and not-for-profit applications.
- Renesas also faces competition from global giants in the semiconductor industry (Nvidia, Qualcomm, NCP, Infineon etc.)
- Therefore, we believe that both Altium and Renesas customers have switching options.
- We note that Altium's PCB design software can be used on a wider spectrum compared to the applications used by Renesas.
- The Scheme document only specifies Australian, US, German and Turkish approvals however, further approvals might be required due to the global nature of Altium's business and market share.
- We do not expect any foreign investment issues due to Renesas being a Japanese company. We note that Japanese state backed fund divested its \$1.84 billion worth of Renesas shares in November 2023.

### Shareholder Vote

- The scheme requires approval by 75% of votes cast at the shareholder meeting.
- We believe that the shareholders will support the merger due to the large premium.

### Counter Bid

- We note that Altium was a target of takeover interest from Autodesk in 2021 at a valuation of A\$5.25 billion but the deal talks were called off.
- We do not expect a counter bid at this point.

### Valuation

- The all-cash Scheme Consideration which will be received by Altium shareholders represents:
  - an implied equity value of A\$9.1 billion and enterprise value of A\$8.8 billion for Altium, representing multiples of approximately 18x EV / FY24E revenue and approximately 50x EV / FY24E EBITDA
    - On January 24, 2024 Synopsys announced the acquisition of Ansys on the multiples of 34.6x FY1 EV/EBITDA, 30.3x FY2 EV/EBITDA, 44.8x FY1 P/E, 40.1x FY2 P/E and 14.8x FY1 EV/Sales
- a 39% premium to Altium's 1-month volume-weighted average price ("VWAP") per share of A\$49.43 prior to the date of this announcement;
- a 46% premium to Altium's 3-month VWAP per share of A\$47.07 prior to the date of this announcement; and
- a 31% premium to Altium's all-time high closing share price of A\$52.34 per share on 12 February 2024.

### Deal Terms

1 ALU AU = A\$68.5

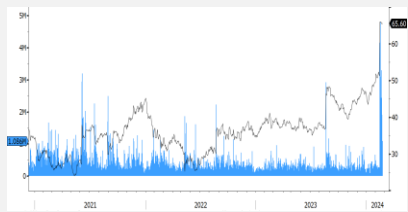
### Target: Altium

Country	Australia
Bloomberg	ALU AU
Sector	Application Software
Share price (A\$)	65.12
Market cap (A\$m)	8,591
Free float (%)	89

### Acquirer: Renesas

Country	Japan
Bloomberg	6723 JP
Sector	Semiconductors
Share price (JPY)	2,579
Market cap (JPYbn)	5,050
Free float (%)	69

### ALU AU Price Chart



### Status

### Author

**Theodor Dan Le**  
Event Driven Analyst

t.ledan@chainbridgeresearch.com  
+36 1 720 5258 (direct line)

Gabor Kokosy  
g.kokosy@chainbridgeresearch.com

Gabor Szabo, CFA  
g.szabo@chainbridgeresearch.com

Chain Bridge Research  
88 Pine Street 31st Floor  
New York, NY 10005  
Tel (New York): +1-646-839-5566  
Tel (New York): +1-212-233-0100

## Key terms of the merger

### Transaction Details

Announcement Date	February 15, 2024
Offer terms	1 ALU AU = A\$68.5
Deal Size (Market Value)	A\$9.1 billion
Offer structure	Scheme of Arrangement
Target's Board Recommendation	Yes
Voting Agreement	Subject to these same qualifications, all directors (who in aggregate have 13.8 million (10%) of Altium shares) intend to vote all the Altium shares they hold or control in favour of the Scheme.
Target Incorporation	Australia
Deal announcement	Click <a href="#">here</a> for the announcement
Scheme Agreement	Click <a href="#">here</a> for the agreement
Synergies	n/a

### Indicated Closing Date

H2 2024

### Dividends

Altium has certain rights to pay dividends under the terms of the SIA. An interim dividend for the financial half year ending 31 December 2023, remains at the discretion of the Altium Board. If paid it will not be deducted from the Scheme Consideration. Any additional dividends, beyond any interim dividend, will be deducted from the Scheme Consideration.

### Financing

- Renesas plans to finance the transaction with bank loans and cash on hand and the transaction is not subject to any financing condition.

### Timetable

■ Confidentiality Agreement	December 8, 2024
■ Date of the Merger Agreement (T)	February 15, 2024
■ Deal Announcement	February 15, 2024
■ Shareholder meeting	2Q/3Q 2024
■ Settlement (CBR est.)	3Q, 2024
■ Longstop date	December 31, 2024

### Solicitation Clause

The SIA contains customary exclusivity provisions, including “no shop”, “no talk”, and “no due diligence” restrictions, a “notification” obligation, as well as a “matching right”. It also contains break fee and reverse break fee provisions.

### Key conditions to the merger

- Altium shareholder approval
- Regulatory Approvals
  - ACCC, CFIUS, FIRB, HSR, German FDI, German Competition, Turkish Competition
- No Company MAC
- Court Approval
- Independent expert
- No prescribed events

### MAE Definition

- means any Specified Event that, whether considered individually or together with all other Specified Events, has had or resulted in, or would be reasonably likely to have or result in the value of Underlying EBITDA of the Altium Group being reduced by at least an amount which is 25% of the reported figure in the notes to the financial statements for the financial year ended 30 June 2023, calculated in a manner that is consistent with accounting policies and practices applied by Altium at the date of this document in preparing its financial statements,

### MAC Carve-outs

and other than a Specified Event:

- (a) which has been Disclosed (or which ought reasonably to have been expected to arise from a matter, event or circumstance which has been Disclosed);
- (b) arising from changes in: (i) general economic or political conditions, (ii) the securities market in general; (iii) law; or (iv) exchange rates;
- (c) arising from any change in: (i) taxation; (ii) interest rates or (iii) general economic conditions, which impact on Altium and Renesas in a similar manner;
- (d) arising from any change in generally accepted accounting principles or the interpretation of them;
- (e) arising as a result of any matter, event or circumstance required by this document, the Scheme or the transactions contemplated by them; or
- (f) occurring with the prior written consent of Renesas.

### Break fees

■ Break fee	■ A\$91,300,000
■ Reverse break fee	■ A\$410,800,000

### Antitrust related clauses

■ Jurisdictions	■ Australia, US, Germany, Turkey
■ Divestiture obligation	■ No
■ Litigation obligation	■ n/a
■ Reverse break fee (regulatory)	■ n/a

#### Governing Law

NSW, Australia

#### Key shareholders

<b>Altium</b>	<b>%</b>
BlackRock Inc	8,0
Pinnacle Investment Management Ltd	6,4
Mirkazemi Aram	5,5
Hyperion Asset Management Ltd/Aust	4,8
Vanguard Group Inc/The	4,7
Mitsubishi UFJ Financial Group Inc	4,4
Trustee for AWARE SUPER/The	3,7
First Sentier Investors ICVC	2,2
Nordea Bank Abp	1,7
MIRKAZEMI HOLDINGS PTY LTD	1,6
<b>Other</b>	<b>57,1</b>

Source: Bloomberg

## Co descriptions & rationale for the merger

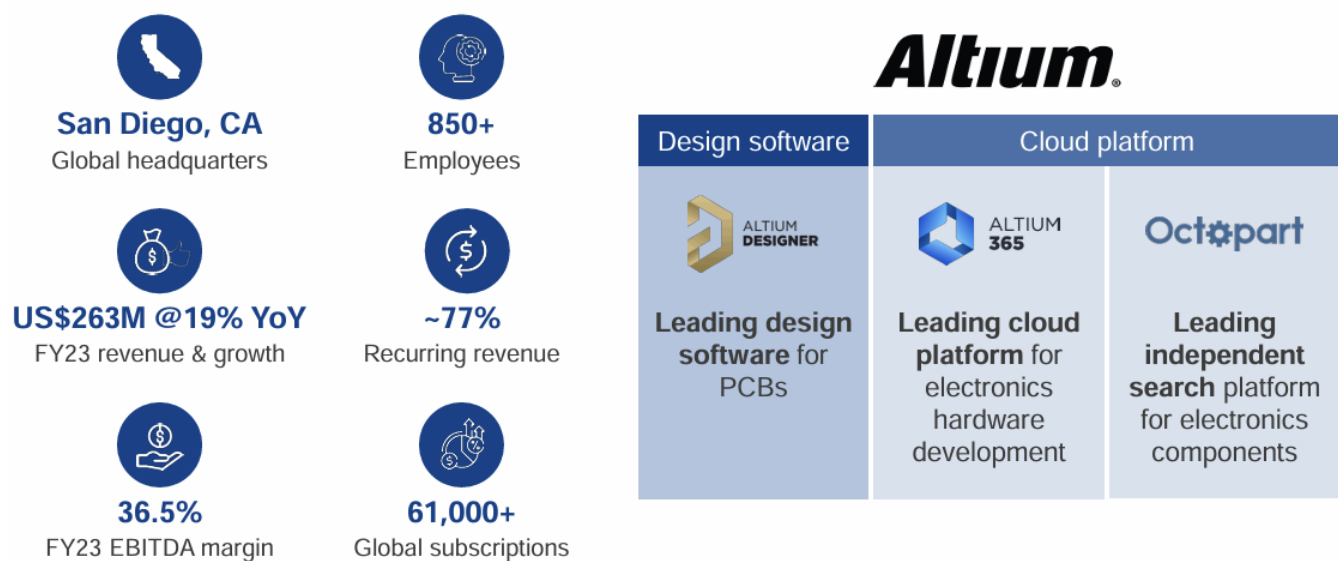
### ALTIUM DESCRIPTION

- Altium Limited develops electronic design automation (EDA) software for the Microsoft Windows operating system. Altium's products facilitate and aid in the design of electronic products such as printed circuit boards. The Group's products are utilized by telecommunications, automotive, defense, science and consumer electronics industries.

#### Altium Designer

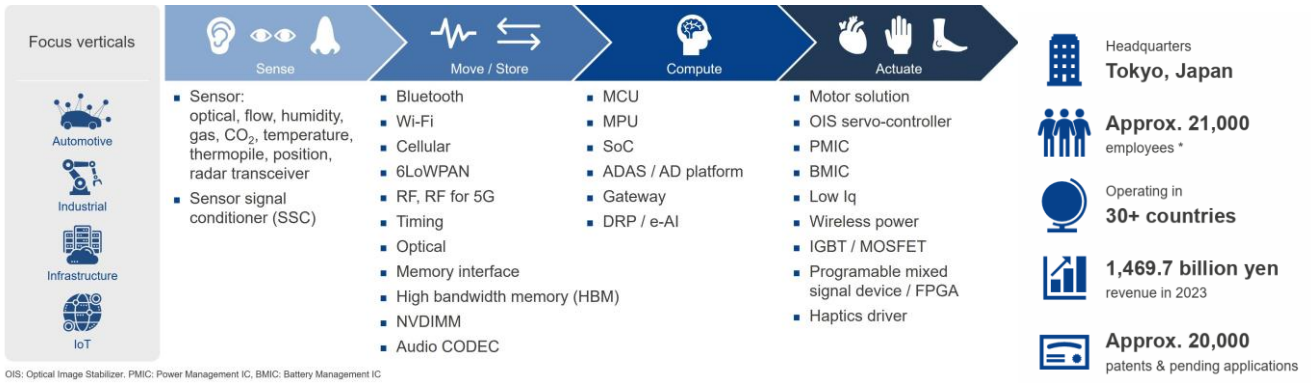
- Altium Designer, recognised globally as the leading solution for PCB design, is a pioneer software tool at the cutting edge of electronics design innovation. In the face of ever-growing demands for increasingly sophisticated and intelligent smart products, Altium Designer consistently rises to the challenge, to ensure our customers stay ahead of the curve.
- Altium 365 is the powerhouse platform for electronics design, with no competitor coming close to rivaling its position. Altium 365 is driving a revolution to digitise old, slow and error prone processes and drastically increasing the productivity of the entire value chain throughout electronics design.
- Nexar supports the broader electronics ecosystem by making it easy to build on top of and programmatically engage with Altium technologies and services, including the Altium 365 platform and Octopart. The Nexar API, which is built from the same advanced technology that powers platforms like Facebook and GitHub, has evolved significantly over the last year, and now supports a wide range of integration use cases
- Octopart saw some significant changes with respect to both users and customers. The entire site was refreshed, with a cleaner look and feel, from the home page through to the part detail pages, making it easier for users to find what they need. A new part alternatives capability was released, assisting users with identifying alternatives for parts that might not be available.

### ALTIUM AT-A-GLANCE



### RENESAS DESCRIPTION

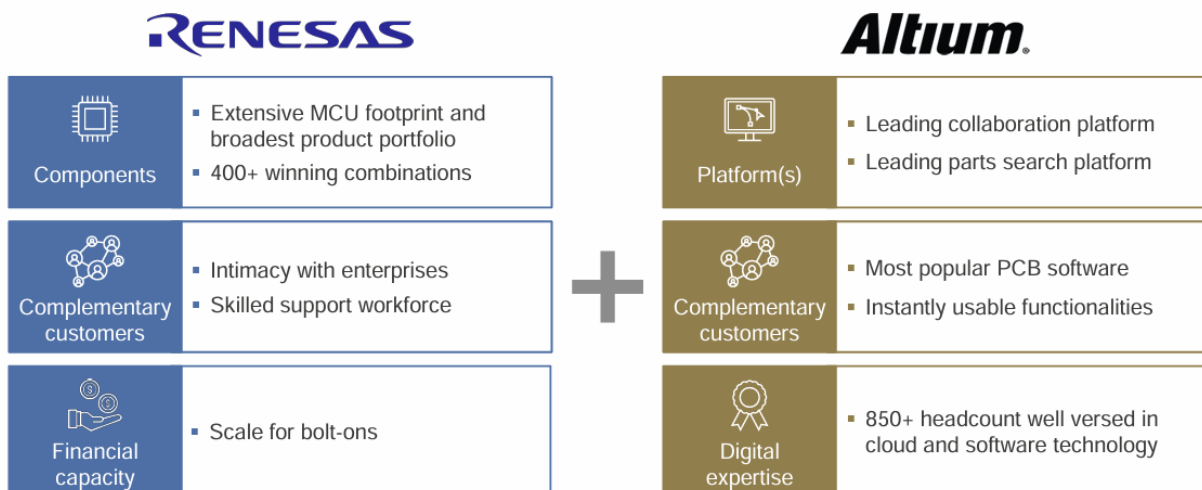
- Renesas Electronics Corporation researches, develops, designs and manufactures electronic components such as semiconductors and integrated devices.
- Renesas Electronics is a global leader in microcontrollers, analog, power, and SoC products and provides comprehensive solutions for a broad range of automotive, industrial, home electronics, office automation, and information communication technology applications that help shape a limitless future. Its products are used in automotive (in the auto factory as well as in the auto), industrial, and consumer electronics applications. With operations in more than 30 countries, the majority of Renesas' revenue comes from outside Japan. Established in 2002, Renesas is built on the foundation that combines the rich culture of technology and innovation of Hitachi, Mitsubishi and NEC.



Source: company Website

**STRATEGIC RATIONALE FOR THE MERGER**

- The acquisition enables two industry leaders to join forces and establish an integrated and open electronics system design and lifecycle management platform that allows for collaboration across component, subsystem, and system-level design. The transaction strongly aligns with Renesas’ digitalization strategy and represents the company’s first significant step in bringing enhanced user experience and innovation at the system level for electronics system designers.
- As technology advances, the design and integration of electronic systems become increasingly complex. The current electronics system design flow is a complicated and iterative process that involves multiple stakeholders and design steps, from component selection and evaluation to simulation and PCB physical design. Engineers must be able to design systems that are not only functional but also efficient and cost-effective under shortened development cycles.
- Together, Renesas and Altium, under a shared vision, aim to build an integrated and open electronics system design and lifecycle management platform that unifies these steps at a system level. The acquisition brings together Altium’s sophisticated cloud platform capabilities with Renesas’ strong portfolio of embedded solutions, combining high-performance processors, analog, power and connectivity. The combination will also enable integration with third-party vendors across the ecosystem to execute all electronic design steps seamlessly on the cloud. The electronics system design and lifecycle management platform will deliver integration and standardization of various electronic design data and functions and enhanced component lifecycle management, while enabling seamless digital iteration of design processes to increase overall productivity. This brings significantly faster innovation and lowers barriers to entry for system designers by reducing development resources and inefficiencies.
- “Development processes continue to evolve and accelerate. With our Purpose “To Make Our Lives Easier” in mind, our vision is to make electronics design accessible to the broader market to allow more innovation through a cloud-based platform,” said Hidetoshi Shibata, CEO of Renesas. “Addition of Altium will enable us to deliver an integrated and open development platform, making it easier for businesses of all sizes and industries to build and scale their systems. We look forward to working with Altium’s talented team as we continue to invest and drive our combined platform to the next level of value for our customers.”
- "I strongly believe that electronics is the single most critical industry to building a smart and sustainable world. Renesas’s visionary leadership and commitment to making electronics accessible to all resonates strongly with Altium. Altium’s vision of industry transformation finds its fullest expression in service of this grand vision of Renesas,” said Aram Mirkazemi, CEO of Altium. “Having worked closely with Renesas as a partner for nearly two years, we are excited to be part of the Renesas team as we continue to successfully execute and grow.”



Source: Merger presentation

## Key risks

### REGULATORY RISKS, TIMING, SHAREHOLDER VOTE, COUNTER BID

The Deal requires ACCC, HSR, CFIUS, FIRB, German FDI, German Federal Cartel Office and Turkish Competition Authority approvals.

- Altium's acquisition stands as one of the most substantial in the Australian software sector, surpassing Oracle's 2018 purchase of the local construction software company Aconex for \$1.6 billion.

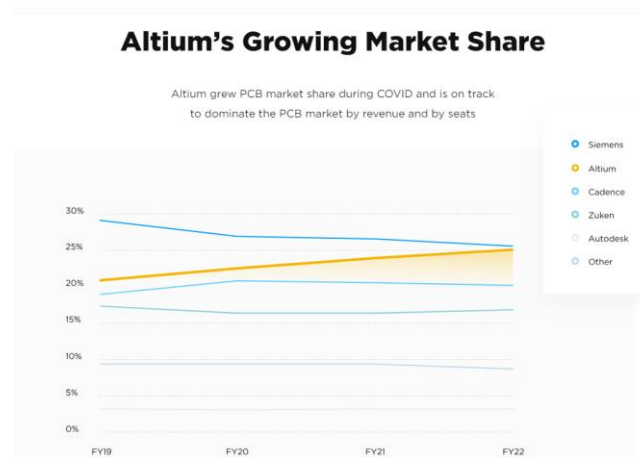
#### Altium Revenues

- 77.1% of Altium's revenues come from its Design software Segment:
  - Standard - Altium Designer \$124.1 m - 47.1%
  - Professional - Pro Subs and Concord Pro: 41.7m - 15.8%
  - Enterprise – NEXUS: 33.3m - 12.6%
  - Community - CircuitStudio & Other: 3.9 - 1.5%
- 22.9% comes from its Cloud platform.

#### PCB design software

- Altium's primary product is a market leader in PCB design software segment.
- Altium Designer Altium Designer is a PCB and electronic design automation software package for printed circuit boards. It allows engineers to design and customize their own circuit boards. Altium Designer is considered the flagship software of the company.
- Altium Designer is one of the most popular PCB board software on the market and is used by engineers across the world, including those working for leading tech companies like Amazon, Facebook, Dell, Microsoft, and Arduino.
- Altium CEO: We have about 20 some thousand customers around the world that are using our software with 61,000 subscribers in terms of seats on subscription.
- PCB design software is crucial in the production of circuit layouts for electronic devices, allowing for the placement of electronic elements like resistors, capacitors, transistors, Integrated Circuits (ICs), diodes, and other components onto PCBs. While connecting small-sized components to a breadboard can be difficult, PCBs simplify the integration of these elements, ensuring a smooth process.
- Moreover, PCB design software serves a dual function by both testing the functionality and offering a visual depiction of the circuit. This software greatly improves the precision and efficiency of the PCB design process. Its utility extends across diverse industries, encompassing automotive, communication devices, medical and healthcare, as well as building and construction equipment.

#### Altium Competition



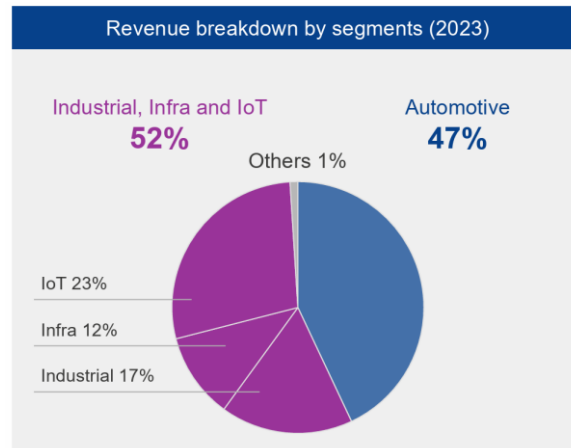
Source: Altium Website

- Altium is the leader in the mid-market. In the lower tier, such as the hobbyist level, the market exhibits significant fragmentation and is comprised of open-source or freely available software options. In this segment, ALU competes with its CircuitMaker and Circuit Studio offerings. Even though, Altium's product is superior even in the lower segment the pricing pressure is a key factor for non-enterprise users.
- Within the enterprise segment, Altium faces competition from various established players**, with features taking precedence over pricing considerations.
- Some competitors in this domain boast more entrenched integrations into other electronic and design software platforms. Nonetheless, ALU holds certain advantages over its rivals, including a **well-established mid-market position** that provides opportunities for upselling as mid-market participants transition to the enterprise level. Additionally, ALU benefits **from a larger user network** in terms of numbers and comprehensive end-to-end value-chain integrations facilitated through Altium365.
- Other Altium Designer Alternatives include: KiCad, Easy EDA, Upverter, DipTrace, LibrePCB, Fusion 360/Eagle, Siemens PADS
- On a wider scale PCB Software Market Players:

- o Cadence Design Systems, Inc, Mentor Graphics Corporation, Zuken Inc., Synopsys Inc., Forte Design Systems Inc., Autodesk Inc., Altium, WestDev Ltd., ANSYS Inc., Mentor Graphics Corporation, WestDev Ltd., Novarm, CadSoft, Shanghai Tsingyue, SolidWorks, Saint-Gobain, Klingspor

**Renesas**

- Renesas, a chip manufacturer supplying automakers like Toyota and Nissan, intends to enhance its device design capabilities through the acquisition of Altium, a provider of digital tools for engineers and designers working on circuit boards. Renesas Electronics operates in two primary segments: Industrial/Infrastructure/IoT Business and Automotive Business, contributing equally to its revenue distribution.

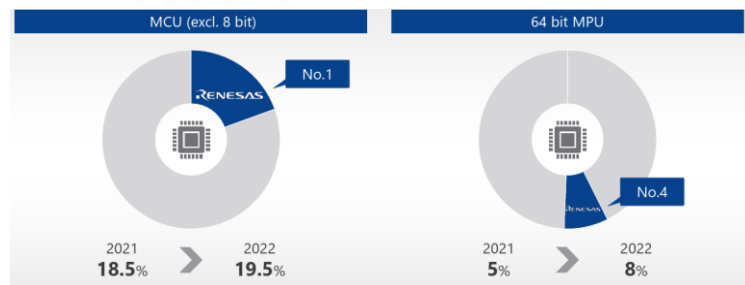


Source: company presentation

- Renesas delivers a vast array of semiconductor products, from sensors to actuators, across the whole signal chain to help our customers realize complete embedded systems.
- Renesas revenues by region (JPYb):
  - o Japan: 376.7 - 25.6%
  - o China: 359.1 - 24.4%
  - o Asia: 310.6 - 21.1%
  - o Europe: 261.9 - 17.8%
  - o North America 155.9 - 10.6%
  - o Rest Of World: 5.3 - 0.4%
- Renesas is one of the five biggest suppliers of MCU’s in the world. With a market share in the mid-teens([see](#))
  - o As of 2022 the company's MCU business segment which represented 38% of revenue

2021 Rank	Company	Headquarters	2020	2021	21/20 % Chg	2021 Marketshare
1	NXP	Europe	2,980	3,795	27%	18.8%
2	Microchip	U.S.	2,872	3,584	25%	17.8%
3	Renesas	Japan	2,748	3,420	24%	17.0%
4	ST	Europe	2,506	3,374	35%	16.7%
5	Infineon	Europe	1,953	2,378	22%	11.8%

Source: Company reports, IC Insights



Source: company presentation

- Renesas’ top competitors include NXP, Infineon, STMicroelectronics and in the automotive segment, Horizon Robotics, Qualcomm and Nvidia.

**German Antitrust**

- The **Bundeskartellamt initially has one month** to assess a notifiable transaction, starting on the date on which the complete notification is received (so-called “Phase I”). However, the **Bundeskartellamt can extend this time limit by another three months**

by giving notice to the parties involved during the initial one-month period (so-called “one-month letter”), insofar as it considers an in-depth investigation necessary (so-called “main assessment proceedings” or “Phase II”). **The entire procedure (Phases I and II) can thus take up to four months from receipt of the complete notification.** This time limit is automatically extended by an additional month if the parties offer remedies to the Bundeskartellamt for the first time in Phase II. Moreover, given the consent of the undertakings involved, the Bundeskartellamt can extend the time limit for Phase II even further

- In Phase II, the Bundeskartellamt decides by way of a formal decision, whereas in Phase I clearance is generally given by a brief letter without further explanation. If a decision is not rendered within four months of receipt of the complete notification and the time limit not duly extended, the merger is deemed to be cleared. The same applies to Phase I if the Bundeskartellamt does not make a decision or does not send the one-month letter within one month of receipt of the complete notification. This, however, only rarely occurs in practice

#### German FDI

- The review process timeline is split into two phases.
- Phase I begins with the BMWK obtaining knowledge of the transaction (either by notification or by other means) **and lasts up to two months**, during which the BMWK will determine whether to open a formal review (phase II) or clear the transaction.
- Phase II begins with the BMWK opening a formal review and requesting further documentation regarding the transaction, the scope of which lies within the broad discretion of the BMWK. The formal review starts upon receipt of that documentation and lasts another four months; however, the BMWK can extend it by another three months in exceptionally complex cases (plus another additional month in case of defense deals). In addition, the timeline is suspended in case of additional information requests by the BMWK, and for as long as negotiations on mitigation measures are conducted between the BMWK and the parties involved. Such considerations outside the official review timeline can therefore have a significant impact on the transaction timetables.
- If at the end of phase I or II the BMWK has not issued a decision, the transaction is legally deemed to be cleared (for phase II, only in cases subject to cross-sectoral review).
- **Renesas acquired Anglo-German Dialog Semiconductor in 2021 for €4.6 billion**

#### Turkey approval

- The Board, upon its preliminary review (i.e., Phase I), will decide either to approve or to investigate the transaction further (i.e., Phase II).
- The **Board notifies the parties of the outcome within 30 days** following a complete filing. There is an implied approval mechanism where a tacit approval is assumed if the Board does not react within 30 calendar days upon a complete filing.
- The Authority can send written information requests to the parties, any other party relating to the transaction or third parties such as competitors, customers or suppliers.
- Any written request by the Authority for missing information will cut the review period and restart the 30-calendar-day period from the first day as of the date on which the responses are submitted.
- If a notification leads to an investigation (Phase II), it transforms into a fully-fledged investigation. The investigation (**Phase II**) **takes approximately six months** and, if deemed necessary, it may be extended only once for an additional period of up to six months.

#### CBR View:

- We believe that the deal will be approved by the regulatory bodies, mainly because Renesas and Altium do not have overlapping business segments.
- We note however that both Renesas and Altium are global leaders in their individual sectors.
- Although both companies are involved in the semiconductor industry, Renesas through production and Altium through design (and some of Renesas’ customers use Altium’s software), the deal should not cause any vertical antitrust concerns.
- Altium’s primary market position is in the mid-market segment and through its offerings for enterprises. The company offers one of the most competitive PCB design software but it has major competitors such as Siemens, Autodesk, Cadence and Zuken.
- The lower end of the PCB design software market is characterized by significant fragmentation. Numerous open-source and free options, like those provided by KiCad and DipTrace, deliver strong performance suitable for hobbyist, individual, and not-for-profit applications.
- Renesas also faces competition from Global giants in the semiconductor industry (Nvidia, Qualcomm, NCP, Infineon etc.)
- Therefore, we believe that both Altium and Renesas customers have switching options.
- We note that Altium’s PCB design software can be used on a wider spectrum compared to the applications used by Renesas.
- The Scheme document only specifies Australian, US, German and Turkish approvals however, further approvals might be required due to the global nature of Altium’s business and market share.
- We do not expect any foreign investment issues due to Renesas being a Japanese company. We note that Japanese state backed fund divested its \$1.84 billion worth of Renesas shares in November, 2023

#### SHAREHOLDER VOTE

- The scheme requires approval by 75% of votes cast at the shareholder meeting.
- We believe that the shareholders will support the merger due to the large premium.

## COUNTER BIDS

- We note that Altium has been a target of takeover interest from Autodesk at a valuation of A\$5.25 billion but the deal talks were called off.
- We do not expect a counter bid at this point.

## Valuation

### PREMIUM

- The all-cash Scheme Consideration which will be received by Altium shareholders represents:
  - an implied equity value of A\$9.1 billion and enterprise value of A\$8.8 billion for Altium, representing multiples of approximately 18x EV / FY24E revenue and approximately 50x EV / FY24E EBITDA
  - a 39% premium to Altium's 1-month volume-weighted average price ("VWAP") per share of A\$49.43 prior to the date of this announcement;
  - a 46% premium to Altium's 3-month VWAP per share of A\$47.07 prior to the date of this announcement; and
  - a 31% premium to Altium's all-time high closing share price of A\$52.34 per share on 12 February 2024.

### ROIC

We assumed:

- an effective tax rate of 25%
- no synergies
- WACC of 9%

#### ROIC calculations

Deal value	2024	2025	2026	2027
Bid price (AUD/sh.)	68,50	68,50	68,50	68,50
O/S (m)	131,9	131,9	131,9	131,9
<b>Market value (AUDm)</b>	<b>9 037,0</b>	<b>9 037,0</b>	<b>9 037,0</b>	<b>9 037,0</b>
Net Debt (AUDm)	-289,1	-289,1	-289,1	-289,1
<b>Deal value (AUDm)</b>	<b>8 747,8</b>	<b>8 747,8</b>	<b>8 747,8</b>	<b>8 747,8</b>
<b>ROIC calculation</b>				
<b>BEST EBIT</b>	<b>161,4</b>	<b>202,1</b>	<b>248,3</b>	<b>318,7</b>
Synergies	0,0	0,0	0,0	0,0
<b>Adj. EBIT</b>	<b>161,4</b>	<b>202,1</b>	<b>248,3</b>	<b>318,7</b>
Tax (25%)	40,4	50,5	62,1	79,7
<b>NOPAT</b>	<b>121,1</b>	<b>151,6</b>	<b>186,2</b>	<b>239,0</b>
<b>ROIC</b>	<b>1,4%</b>	<b>1,7%</b>	<b>2,1%</b>	<b>2,7%</b>
<b>WACC</b>	<b>9,0%</b>	<b>9,0%</b>	<b>9,0%</b>	<b>9,0%</b>

Source: Bloomberg, CBR Calculations

### COMPARABLE PEERS

Company	Ticker	Market cap	EV	FY1 EV/EBITDA	FY2 EV/EBITDA	FY1 P/E	FY2 P/E	EV/FY1 Sales	FY1 EBITDA margin	FY2/FY1 Sales
<b>Deal multiples</b>				<b>50,0x</b>	<b>40,8x</b>	<b>71,3x</b>	<b>57,1x</b>	<b>18,2x</b>		
Altium	ALU AU	\$ 8 654	\$ 8 360	47,3x	38,5x	68,3x	54,6x	17,2x	36,3%	19,3%
Autodesk	ADSK US	\$ 55 483	\$ 55958,21136	27,2x	26,8x	34,7x	31,8x	10,3x	37,7%	9,9%
Cadence	CDNS US	\$ 83 183	\$ 82 981	41,6x	34,2x	51,5x	44,1x	18,1x	43,5%	12,9%
PTC	PTC US	\$ 21 635	\$ 23 821	26,3x	22,9x	36,6x	30,0x	10,2x	38,8%	12,1%
Dassault Systemes	DSY FP	\$ 57 906	\$ 57 340	26,1x	23,3x	33,4x	30,3x	9,0x	34,4%	9,6%
<b>PEER AVERAGE</b>				<b>30,3x</b>	<b>26,8x</b>	<b>40,5x</b>	<b>34,8x</b>	<b>11,9x</b>	<b>38,6%</b>	<b>11,1%</b>

Source: Bloomberg and CBR calculations

### PRECEDENT

- On January 24, 2024 Synopsys announced the acquisition of Ansys on the multiples of 34.6x FY1 EV/EBITDA, 30.3x FY2 EV/EBITDA, 44.8x FY1 P/E, 40.1x FY2 P/E and 14.8x FY1 EV/Sales

### ANALYST TARGET PRICES

- Fundamental analysts' target prices for Altium ranged between A\$42 and A\$50 before the merger announcement.

**Disclosures:**

---

This report was produced by Independent European Research, LLC dba as Chain Bridge Research ("Chain Bridge"), and is intended only for use by the recipient. All materials published by Chain Bridge are intended for use only by professional, institutional, buy-side investors. Use by the general investing public is prohibited. The information and analysis contained in these publications are copyrighted and may not be duplicated or redistributed for any reason. Chain Bridge reserves the right to refuse any subscription request based upon the above criteria. Companies and individuals residing in Hungary, and affiliates of firms based in Hungary are prohibited from subscribing to the services of Chain Bridge Research

Chain Bridge Research  
88 Pine Street 31st Floor  
New York, NY 10005  
Tel (New York): +1-646-839-5566  
Tel (New York): +1-212-233-0100  
www.chainbridgeresearch.com

Neither the information, nor any opinion expressed, constitutes a solicitation by Chain Bridge for the purchase or the sale of securities. This publication does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual investors. It is intended only for investors who are "eligible counterparties" or "professional clients", and may not, therefore, be redistributed to third parties without the express written consent of Chain Bridge. The information set forth herein was obtained from publicly available sources that we believe to be reliable. While due care is taken by Chain Bridge in compiling the data and in forming its opinions, Chain Bridge gives no warranty, express or implied, and it does not guarantee the accuracy or completeness of the information provided. Additional information is available upon request.

Chain Bridge manages conflicts identified through its confidentiality and independence policies, maintenance of a Stop List and a Watch List, personal account dealing rules, policies and procedures for managing conflicts of interest arising from impartial investment research, and disclosure to clients via client documentation. Chain Bridge and/or persons associated with it may own securities of the issuers described herein and may make purchases or sales after this report has been disseminated to Chain Bridge institutional subscribers.

The following Research Analysts employed by Chain Bridge contributed to this report: Gabor Szabo, CFA, Gabor Kokosy, Theodor Dan Le. Chain Bridge's home office is at 88 Pine Street 31st Floor, New York, NY. Its branch office is located at 31 Felhevizi u. 1st Floor 4, 1025 Budapest, Hungary. The firm's branch office is where information about the valuations herein are located, unless otherwise indicated in the report.

At the time of this report, there are no planned updates to the recommendations. For previous recommendations concerning financial instrument(s) or issuer(s) mentioned in this report – if any – or other financial instrument(s) and issuer(s) during the preceding 12-month period, please refer to our [website](#).

The reports published by Chain Bridge intend to provide clients with a view regarding the various risks and critical factors impacting the completion of certain mergers and acquisitions. Therefore, the opinions expressed do not fit with traditional buy, sell, and hold ratings.

PCS Research Group, LLC, an affiliate of Chain Bridge, is the exclusive marketer and distributor of this and other reports produced by Chain Bridge. Neither Chain Bridge nor PCS is an investment firm or a credit institution. Affiliates of Chain Bridge and PCS include investment firms that are SEC registered investment advisers and FINRA Member broker-dealers (together, "Affiliates"). The Affiliates have not performed and do not expect to perform investment banking services for the issuer(s); are not market makers, and are not party to any agreements with the issuer(s). The issuer(s) has not been a client of Chain Bridge, PCS or the Affiliates. Chain Bridge, the research analysts, PCS, and the Affiliates have not received any compensation from the issuer(s). Chain Bridge research analysts' remuneration is determined exclusively by Chain Bridge management, and is based on the quality and accuracy of the analyst's research. Investment firm Affiliates do not contribute to appraisals of Chain Bridge analysts. Remuneration from Chain Bridge to research analysts is not linked to investment firm activities of Affiliates. Conflicts of interest for employees of PCS and Affiliates are managed by a formal code of ethics and information barrier procedures which include, but are not limited to, policies related to restricted lists, personal trading rules, and the prohibition of misuse of material non-public information.

Copyright 2024 - Chain Bridge Research.