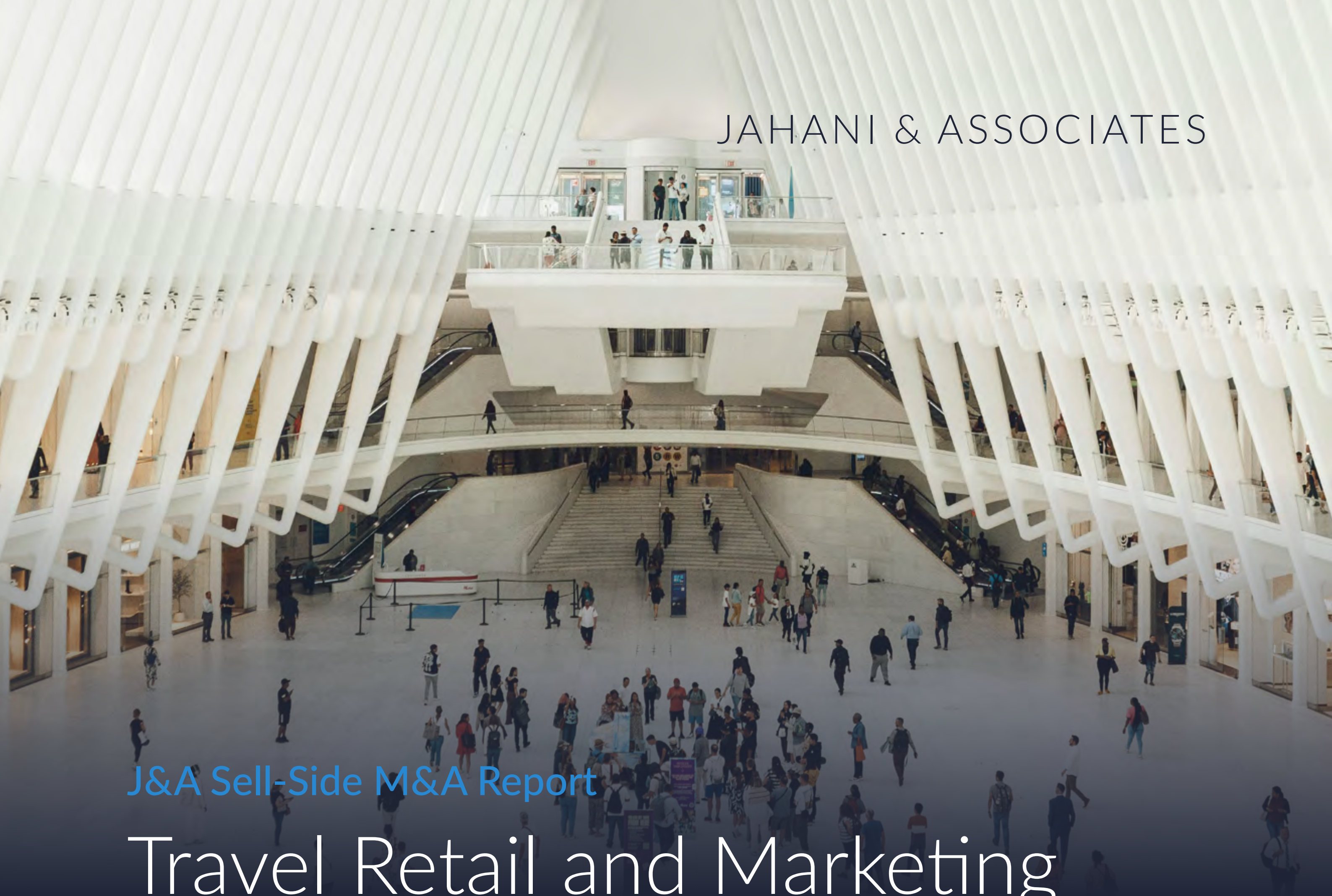

JAHANI & ASSOCIATES

J&A Sell-Side M&A Report

Travel Retail and Marketing Technology Solutions Transactions and Valuations

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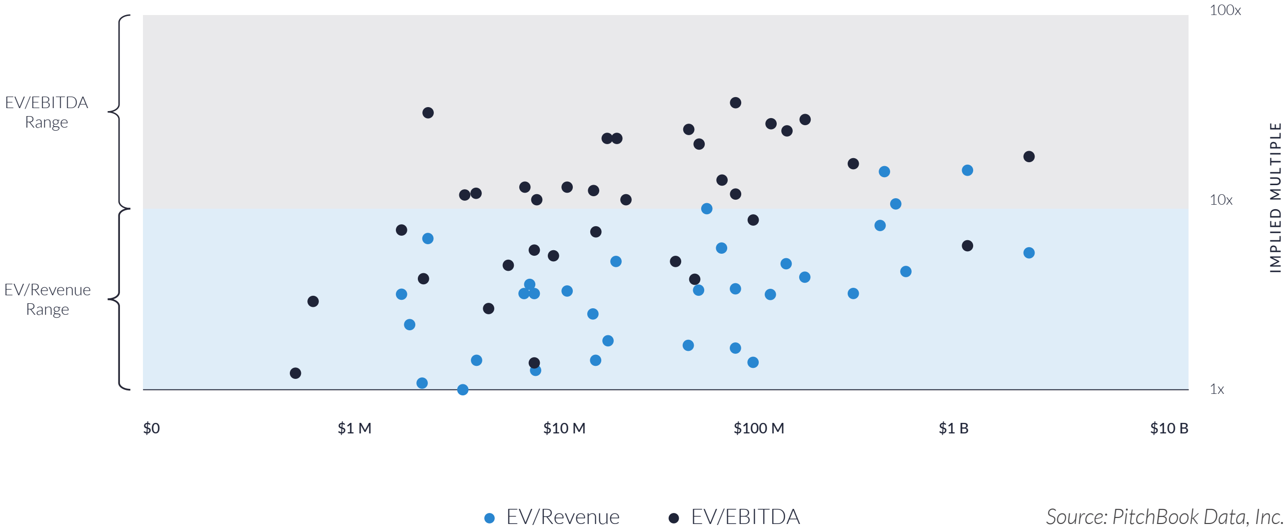
Between Q1 2020 and Q3 2024, over $102 billion was deployed across M&A transactions in the travel retail and marketing technology solutions sector. These investments reflect the increasing demand for platforms that enhance audience targeting capabilities, optimize operational parameters, and create integrated omni-channel experiences.

Travel retail and marketing technology solutions encompass platforms and systems designed to personalize the traveler experience. This includes audience analytics, real-time contextual marketing, and solutions for curating merchandise tailored to specific traveler profiles. These technologies operate within a broader marketplace ecosystem, connecting vendors and consumers to facilitate seamless, efficient, and relevant travel experiences.

The rising interest in this sector is driven by advancements in audience targeting, predictive analytics, and personalization. Omni-channel solutions now enable businesses to reach consumers at key touchpoints throughout their journeys, improving engagement and enhancing operational outcomes. The importance of these solutions is expected to grow, with increasing demand for platforms that efficiently integrate content, products, and services in dynamic market environments.

Travel Retail and Marketing Technology Solutions Transactions Valuation Multiple Analysis (Q1 2020 – Q3 2024)



Source: PitchBook Data, Inc.

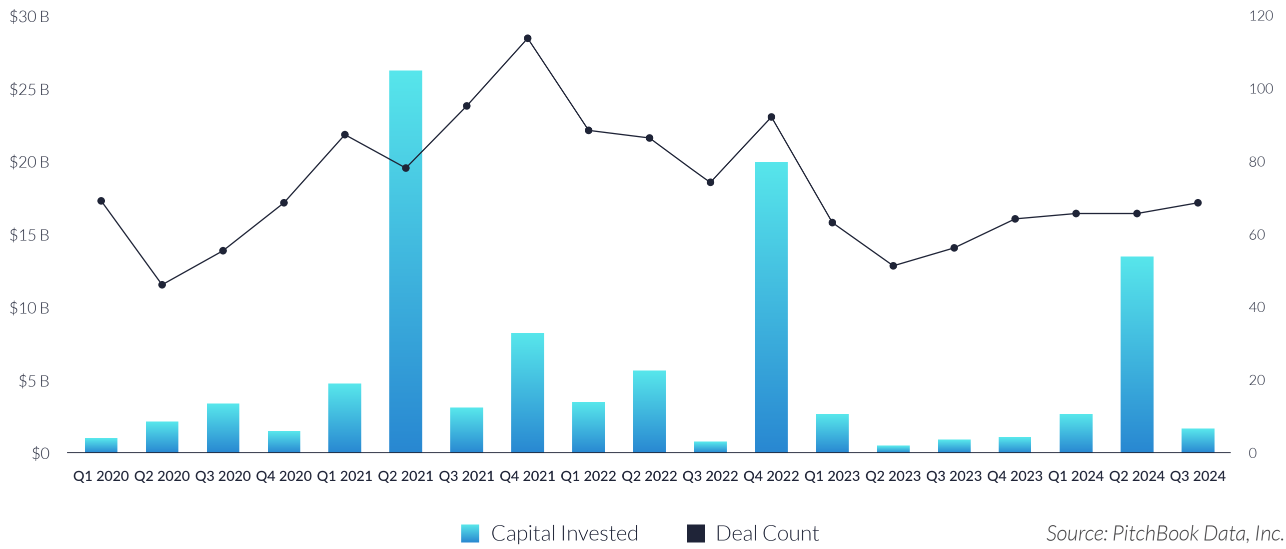
EV / REVENUE			
MEAN	MEDIAN	MINIMUM	MAXIMUM
4 X	3 X	1 X	15 X

EV / EBITDA			
MEAN	MEDIAN	MINIMUM	MAXIMUM
13 X	11 X	1 X	34 X

- The valuation multiples are based on a sample set of private and public travel retail and marketing technology companies and M&A transactions in the sector. The data reflects transaction activity over the analyzed period.
- The sample set typically trades at an enterprise value to revenue (EV/revenue) multiple range of 1x to 15x, with a mean of 4x and a median of 3x. These multiples reflect varying revenue growth rates and market penetration levels across the companies, with higher multiples generally corresponding to firms with scalable platforms and recurring revenue models.

- Enterprise value to EBITDA (EV/EBITDA) multiples range from 1x to 34x, with a mean of 13x and a median of 11x. This broad range indicates a mix of established and emerging players in the sector, where larger, profitable companies achieve higher multiples due to their financial stability and ability to generate consistent earnings.
- Higher EV/EBITDA multiples (17x or greater) in the sector indicate strong investor confidence in the long-term growth potential of companies offering predictive analytics, real-time contextual marketing, and integrated travel retail solutions. These companies are often seen as essential for optimizing customer engagement in a rapidly evolving market.

Capital Invested and Deal Count of Travel Retail and Marketing Technology Solutions M&A Transactions (Q1 2020 – Q3 2024)

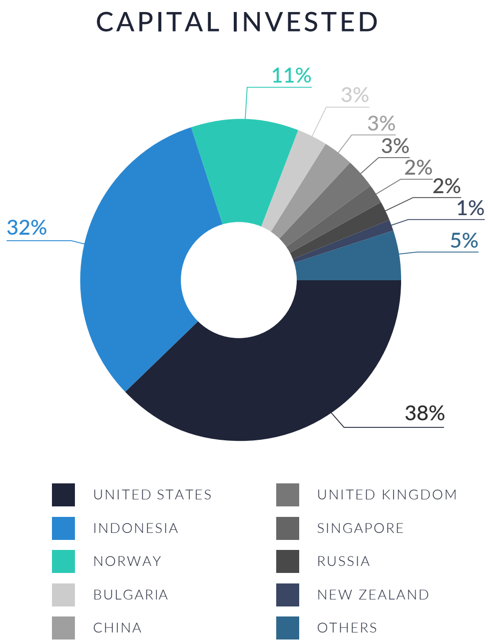


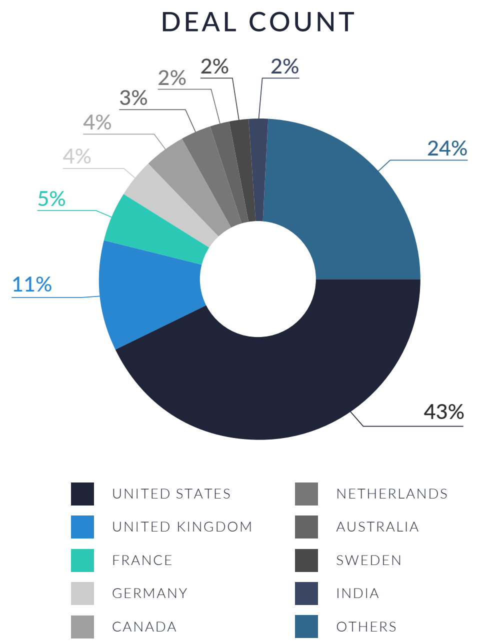
Source: PitchBook Data, Inc.

- Between Q1 2020 and Q3 2024, over $102 billion was deployed across 1,383 M&A transactions in the travel retail and marketing technology sector by global firms, with an average quarterly deal count of 73 and an average capital investment per quarter of $5.38 billion.
- The exceptional capital investment of $26.09 billion in Q2 2021 corresponds to a period of recovery and strategic repositioning following the global disruption caused by COVID-19. This surge was likely driven by the gradual reopening of borders and travel corridors in 2021, which led to increased demand for digital tools that optimize operations and customer engagement within the travel ecosystem. Firms sought to acquire technology platforms offering predictive analytics, omni-channel marketing, and audience-targeting capabilities to adapt to changing traveler expectations.

- Market disruptions created valuation opportunities, enabling buyers to acquire businesses at competitive prices to build comprehensive marketplace ecosystems and improve operational efficiencies.
- The 113 transactions in Q4 2021, marking the highest deal volume in the analyzed period, reflects heightened interest in smaller, strategic acquisitions. Companies expanded their portfolios by targeting specialized firms that filled gaps in omni-channel capabilities, audience analytics, or personalized product curation.
- Private equity firms and financial acquirers took advantage of market dynamics to invest in high-growth businesses with scalable solutions.
- The relatively consistent 73 deals per quarter (with a range of 46 to 113) highlight the sector's resilience to macroeconomic fluctuations. This steady interest demonstrates a perceived necessity of travel marketing technologies in enhancing competitiveness through consumer-centric offerings and scalable ecosystems.
- Sustained M&A activity reflects a recognition of the need to personalize the travel experience, leveraging technology to deliver real-time, contextual recommendations. Firms prioritized acquiring or developing marketplace ecosystems that seamlessly integrate vendors and consumers, streamlining operations and enhancing profitability.

Breakdown of Announced Travel Retail and Marketing Technology Solutions M&A Transactions Conducted by Country Invested In (Q1 2020 – Q3 2024)

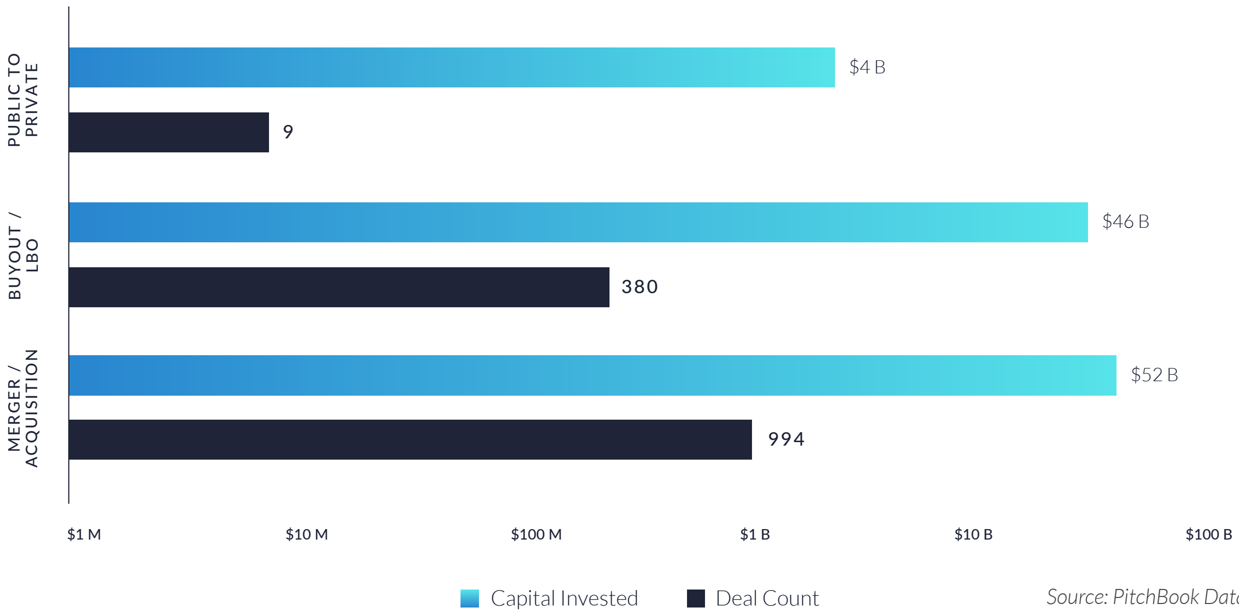




Source: PitchBook Data, Inc

- US-based acquirers accounted for the largest share of both capital invested and deal count, with 38% of total capital invested and 43% of total deals. This dominance reflects a strong preference among US-based acquirers for both domestic and global opportunities in travel retail and marketing technology.
- Indonesia emerged as the second-largest recipient of capital investment, with 32% of total capital invested, showcasing the strategic focus on developing markets and the increasing adoption of travel technology solutions in the region.
- Norway captured 11% of the total capital invested, highlighting a significant interest in travel retail innovations within northern Europe.
- Smaller percentages of capital were allocated to countries such as the United Kingdom (3%), Bulgaria (3%), China (3%), and Singapore (2%), reflecting a diverse global reach of M&A activities, albeit with a lower concentration compared to top markets.
- The deal count distribution also shows diversity beyond the United States, with the United Kingdom (11%), Germany (4%), and France (5%) standing out as significant contributors to the total volume of transactions. Other countries, including India, Sweden, and Australia, accounted for 2% each, indicating broader but smaller-scale deal-making activity.
- Other countries combined represent 5% of capital invested and 24% of the deal count, underscoring a wide but fragmented interest in travel retail and marketing technology M&A across smaller or emerging markets.

Breakdown of Announced Travel Retail and Marketing Technology Solutions M&A Transactions by Deal Type (Q1 2020 – Q3 2024)



Source: PitchBook Data, Inc.

- Mergers and acquisitions (M&A) represented the majority of activity, with 994 deals accounting for $52 billion in capital invested. These transactions highlight the focus on consolidating companies that deliver tailored solutions within the travel retail and marketing sectors. M&A deals were largely driven by the need for firms to align operations and improve the delivery of contextual offers during key moments in the traveler's journey.
- Buyout/leveraged buyouts (LBOs) accounted for 380 transactions and $46 billion in capital, indicating significant interest in acquiring companies with established operational frameworks and cash flow. The focus on buyouts suggests that investors view mature businesses with specialized technologies, such as predictive analytics and real-time engagement platforms, as opportunities for stable returns and market differentiation.
- Public-to-private transactions, though fewer at 9 deals with $4 billion in capital, were critical in redefining larger, public businesses with untapped potential. These deals demonstrate the approach of unlocking value by repositioning companies for strategic execution outside of public market pressures, often targeting firms with strong operational fundamentals but underutilized technologies.

DEAL SPOTLIGHT:
INRIVER

Inriver, headquartered in Malmö, Sweden, provides product information management (PIM) solutions, enabling businesses to centralize and standardize product data for distribution across multiple channels. While its core applications span various sectors, including retail and manufacturing, its relevance to travel retail lies in its ability to support omni-channel strategies, streamline inventory management, and ensure accurate product data across diverse touchpoints.

TRANSACTION TYPE	DEAL DATE
ACQUISITION	JULY 1, 2021
TRANSACTION SIZE	**ACQUIRER**
$400 MILLION	THOMAS H. LEE PARTNERS

In the travel retail sector, inriver's platform aligns with the need for efficient merchandise curation within complex marketplace ecosystems, where seamless and accurate integration of product information is critical to maintaining operational efficiency and enhancing customer satisfaction.

STRATEGIC RATIONALE

The acquisition of inriver by Thomas H. Lee Partners reflects key trends within the travel retail and marketing technology space, driven by the increasing complexity of managing and delivering consistent product data across fragmented distribution networks.

KEY INTANGIBLE ASSETS

- Technological Expertise
- Market Leadership
- Customer Relationships

TRANSACTION RATIONALE

- Portfolio Expansion
- Market Growth
- Operational Efficiency

DEAL SPOTLIGHT:
BRANDWATCH

Brandwatch

Brandwatch, headquartered in Brighton, United Kingdom, is a leader in digital consumer intelligence and social media listening solutions. The company enables businesses to analyze online conversations and consumer sentiment across multiple channels, providing insights critical for strategic marketing and customer engagement. Brandwatch's tools allow companies to understand customer behavior, identify trends, and refine audience targeting strategies.

TRANSACTION TYPE	DEAL DATE
ACQUISITION	JUNE 1, 2021
TRANSACTION SIZE	**ACQUIRER**
$450 MILLION	CISION US

In the context of travel retail and marketing technology, Brandwatch's capabilities are relevant for understanding traveler sentiment and market shifts, particularly in response to global events or regional disruptions. Its analytics tools help travel retailers and marketers optimize campaigns, enhance audience engagement, and adapt to changing consumer preferences.

STRATEGIC RATIONALE

The acquisition of Brandwatch by Cision US reflects a growing focus on leveraging data-driven insights to improve marketing outcomes. The deal is a strategic move to combine Brandwatch's consumer intelligence capabilities with Cision's expertise in PR and media management, creating a comprehensive platform for communication and marketing optimization. By integrating Brandwatch's capabilities, Cision US aims to provide a more robust offering to businesses navigating the challenges of audience engagement in dynamic markets, including travel retail. This acquisition highlights the increasing importance of data analytics and real-time sentiment tracking in shaping marketing strategies.

KEY INTANGIBLE ASSETS

- Consumer Intelligence Technology
- Global Brand Reputation
- Enterprise Relationships

TRANSACTION RATIONALE

- Integration Opportunities
- Market Expansion
- Synergies

The demand for travel retail and marketing technology solutions continues to grow, driven by advancements in audience targeting, omni-channel engagement, and marketplace ecosystems. Key trends include the integration of predictive analytics and real-time personalization tools, enabling businesses to curate merchandise and optimize customer experiences. These innovations address challenges in a highly dynamic sector, where operational efficiency and adaptability are critical. Founders and shareholders in this space should monitor exit opportunities, as financial acquirers remain highly active, contributing significant capital to drive consolidation and innovation. This focus underscores the sector's importance in shaping the future of travel retail.

Source: RFI.Asia, Global Drinks Intel, iClick Interactive, Pitchbook Data.

JAHANI & ASSOCIATES

Jahani and Associates (J&A) is a global investment bank headquartered in New York City. J&A has deep connections in the Middle East, Southeast Asia, Latin America, and North America. The firm provides investment banking advisory, investment banking transaction, and corporate development expertise to clients all over the world.

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