



Legal Tech and Services M&A Market Update

Summer 2024





Meridian Capital Technology Investment Banking

Meridian Capital leverages deep industry knowledge to execute complex and important transactions for middle market founder-focused clients

Meridian Capital by the Numbers

275+ transactions completed

\$1B and less for transaction values

8 industry practice groups

30 countries via Global M&A Partners

Meridian Technology Practice Areas



Software



Tech-Enabled Services



Internet



Hardware / Systems



Semiconductors

Representative Transactions

<p>Office Ally</p> <p>- Acquired by -</p>	<p>LegitScript</p> <p>- Recapitalized by -</p>	<p>QuickFee*</p> <p>- Established an asset-backed financing with -</p>	<p>Rainmaker LRO*</p> <p>- Acquired by -</p>
<p>Imprev</p> <p>- Acquired by -</p>	<p>CHEQ</p> <p>- Acquired by -</p>	<p>OneStream*</p> <p>- Received an investment by -</p>	<p>AgencyZoom*</p> <p>- Acquired by -</p>

Technology Team



Patrick Ringland
Managing Director
 15+ years experience



Matt Rehtin
Managing Director
 15+ years experience



Randy Moe
Managing Director
 15+ years experience

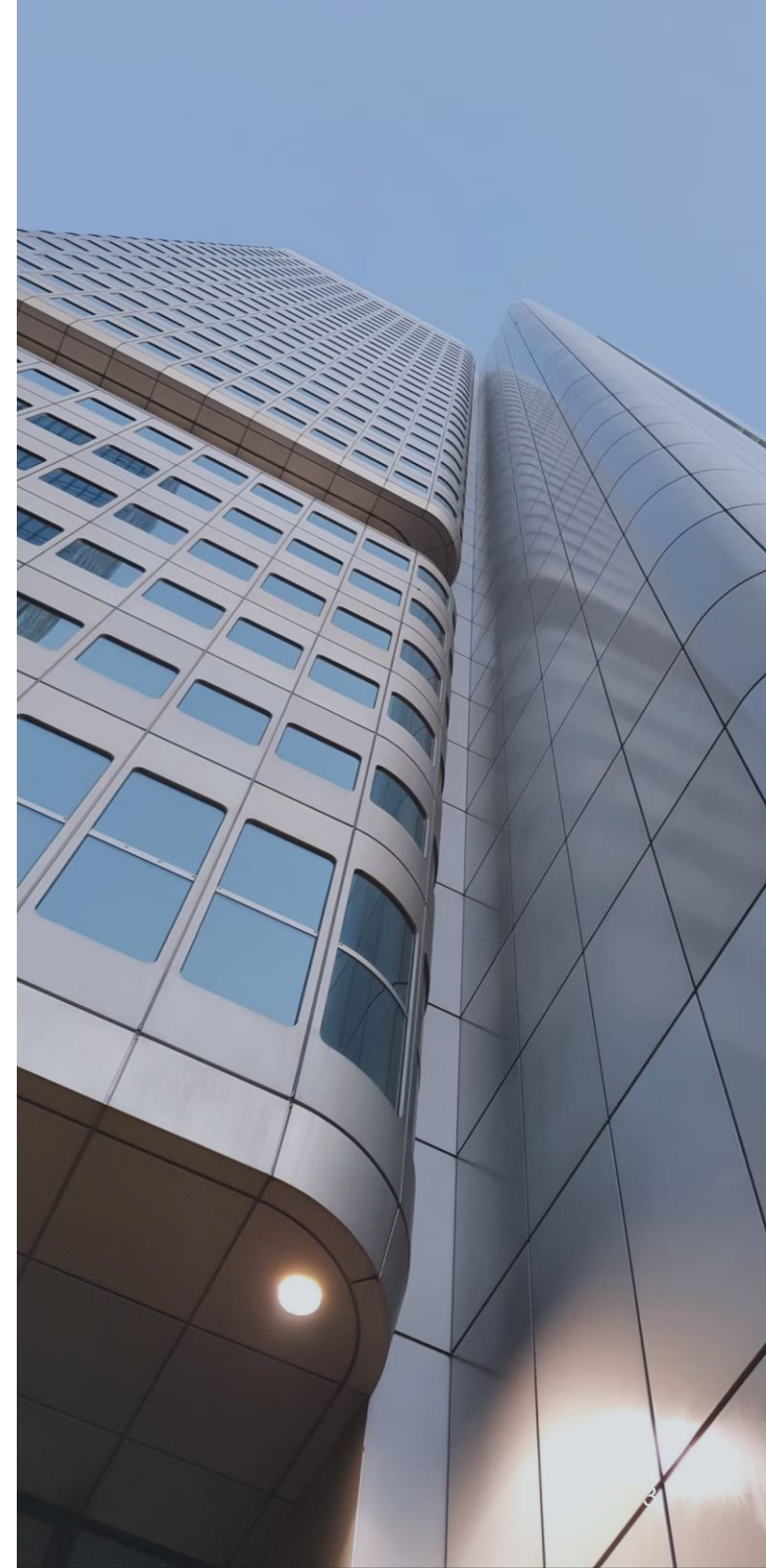


Tim Johnson
Senior Associate
 5+ years experience

* Includes transactions completed by current employees while at previous firms

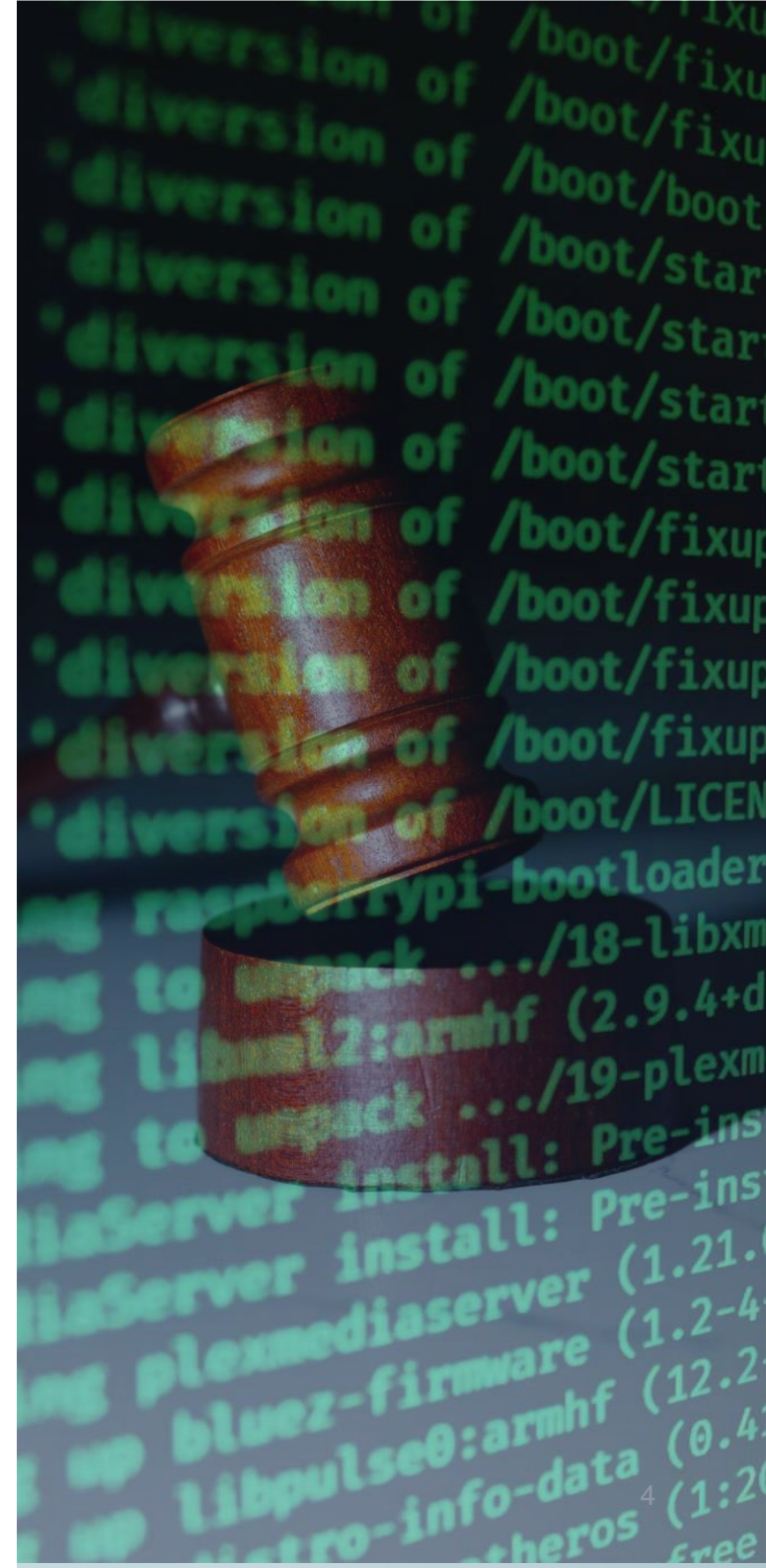
Table of Contents

- 01.** Legal Tech and Services Industry Update
- 02.** Meridian Technology Investment Banking Overview
- 03.** Appendix



01.

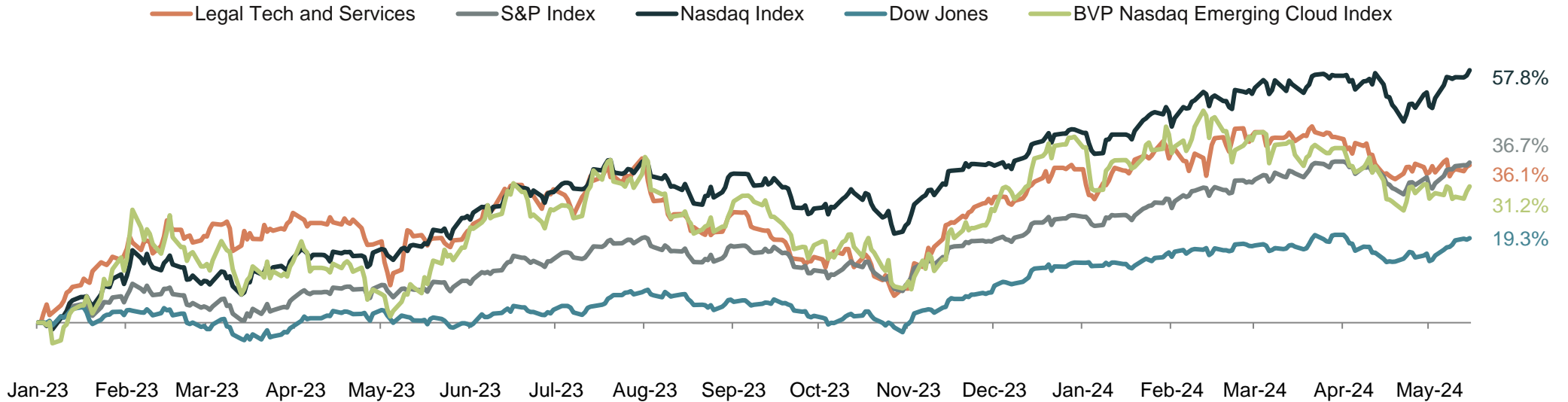
LEGAL TECH AND SERVICES INDUSTRY UPDATE





Recent Legal Tech and Services Performance

Easing inflation, a resilient economy, and the prospect of lower interest rates coming in 2024 buoyed investors in 2023, and as a result Legal Tech and software valuations have rebounded significantly over the last year



Legal Tech and Services

BVP Emerging Cloud

Tracks the performance of emerging public companies primarily involved in providing cloud software

Nasdaq Index

Tracks the composite of stocks listed on the Nasdaq Exchange

Dow Jones

Tracks the 30 prominent companies listed on US stock exchanges

S&P Index

Tracks the 500 largest public companies in the U.S.

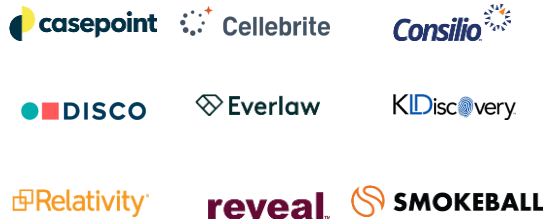


Legal Tech Sub-Sector Landscape

Practice and Case Management



eDiscover



Spend Management and Billing



Online Legal Services



Workflow, Operations, and Collaboration



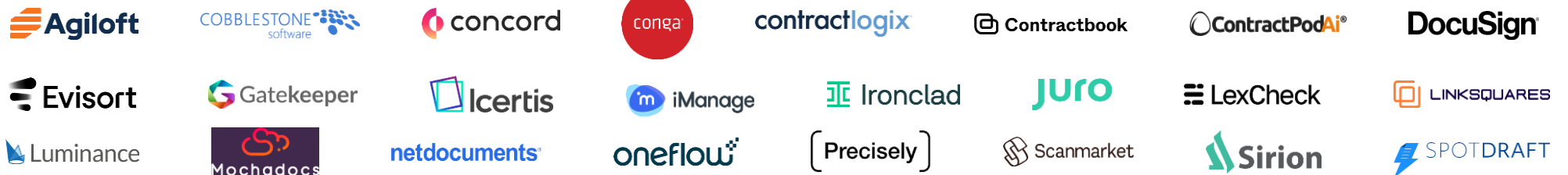
Compliance and Privacy



Legal Research and Analysis



CLM / Document Management



Legal Tech Industry Trends



Adoption of Cloud-Based Solutions

Privacy concerns initially slowed cloud adoption across the Legal Tech industry. However, as cloud security continues to improve and surpass the privacy capabilities of most firms, cloud adoption is expected to continue to increase



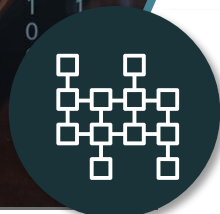
Managing Costs

Continued demand for lower-cost legal services. With rising labor costs and weaker demand for legal services, scaled Legal Tech is rapidly being deployed to manage costs and reduce overhead requirements



AI/ML Enablement and Advancements

As AI is further explored in the market there is a significant opportunity for AI to take over much of the legal analysis processes, leveraging big data to inform legal insights and decision-making



Block-Chain Utilization

Process tracking and record verification capabilities of blockchain systems are expected to be a driving factor in the Legal Tech market, specifically in securing and tracking smart contracts, IP, and other legal documents



Legal Tech M&A Observations

Legal Tech is a highly active M&A segment with diverse buyers spanning multiple categories: existing vertical software leaders, adjacent industry participants, and financial investors – each bring their own rationale

Continued Private Equity Interest in Building Platforms



- Private equity has been engaged in platform investments, as well as tuck-in acquisitions to build scale
- Attracted by industry-specific dynamics, such as revenue visibility, sticky customer relationships, and ability to cross-sell related offerings

Scaled Companies Acquiring Technology



- Legal industry players spanning, traditional law firms to competing Legal Tech and enterprise solutions are all acquiring technology
- Can be synergistic with core offerings and often acquired based on a thesis of accelerating buyer growth

Legal Tech as Part of Broader Enterprise Solutions



- Private equity continues to invest into and create platforms of full suite enterprise solutions.
- Legal Tech is rapidly becoming a core tenant to the enterprise solution suite driving active investment from financial and strategic buyers.

Date	Acquirer	Target	Target Description
Oct-23	VISTA EQUITY PARTNERS	Gatekeeper	Vendor, contract and third-part risk management
Mar-23	reveal	LIGL	Digital evidence and lifecycle management
Jun-22	AFFINIPAY TA ASSOCIATES	mycase	Cloud-based legal practice management platform
Jan-22	LITERA Hg	prosperoware	Legal privacy and compliance solutions

Date	Acquirer	Target	Target Description
May-24	DocuSign	lexion	Contract management system
Jan-24	LexisNexis	jarvisLEGAL	Legal practice management
Aug-23	THOMSON REUTERS	casetext	Provider of legal research solutions
Jan-22	onit	contractworks	Cloud-based document sharing

Date	Acquirer	Target	Target Description
Feb-23	THOMABRAVO	coupa	Spending and contract management
Feb-23	BVP Forge	LITIFY	Legal practice management platform
Sep-22	MDP	unison	Supply chain and contract management
Jul-22	Hg	Ideagen	Compliance-based information management



Subsector Highlight: Contract Lifecycle Management

CLM solutions continue to be front of mind for large organizations managing large and complex legal portfolios, and developments in AI and security continue to fuel adoption at all enterprise levels



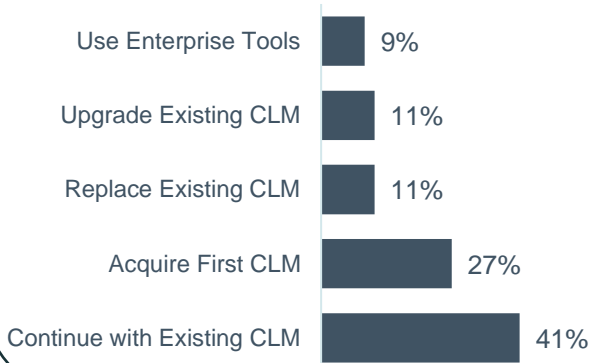
Enterprise and Governments Driving Adoption

Large corporations in healthcare, IT, telecommunications, and pharmaceuticals, along with the public sector, are driving demand for Contract Lifecycle Management (CLM) solutions.

These entities operate in complex environments, and CLM has the potential to greatly streamline workflows within and between their departments.

CLM solutions offer opportunities to efficiently manage the extensive sets of legal documents typically held by large enterprises.

Near Term Corporate CLM Plans



AI and Large Language Model Automation

AI has already shown its superiority to humans in effectively summarizing and explaining legal documents. As large language models continue to improve, AI is poised to take center stage in contract analysis, streamlining and enhancing the accuracy and efficiency of contract tracking and adherence.

There is also significant potential for AI to impact contract negotiation and origination. AI contract negotiation services are becoming more appealing to enterprises of all sizes as a means to optimize the negotiation of standard contracts, such as employment agreements and NDAs.

6%

Greater accuracy than human analysis

20,000 - 40,000

Average contracts under management for fortune 1,000 companies

~50%

Estimated reduction in manual effort for contract negotiation

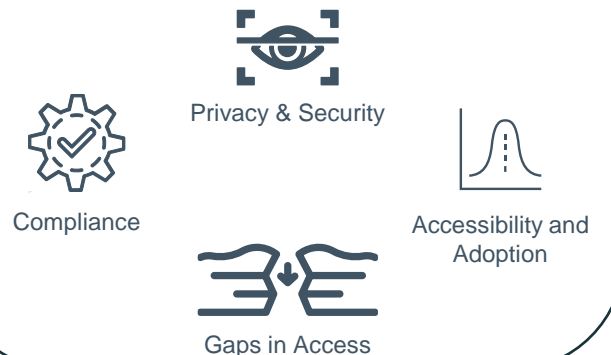


Data Privacy and Security

Data privacy concerns have been a constraint in the adoption of Legal Tech by boards. However, advancements in the security of cloud-based solutions have notably enhanced digital security beyond what is typically available to midsize and smaller firms. The primary catalyst for increased comfort with data security has been the Covid-19 pandemic's acceleration of full digitalization.

While further adoption opportunities exist, functions such as document signing have emerged as pivotal indicators of broader market acceptance of online and cloud-based security, thereby propelling the adoption of CLM solutions.

Select Challenges in CLM

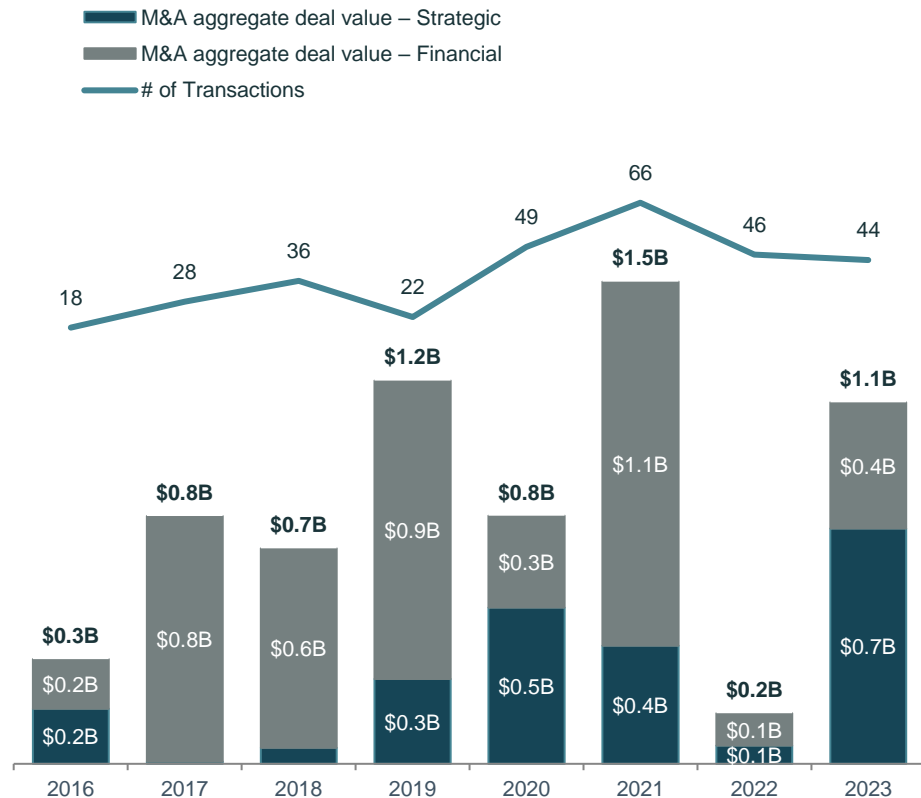




Legal Tech M&A and Capital Raise Activity

Legal Tech M&A and capital raising has seen a material uptick in both deal volumes and amount raised since 2016. While 2023 values represent a decline relative to the historic highs of 2021, they remain broadly in line with pre-2021 figures.

Global Legal Tech M&A Activity



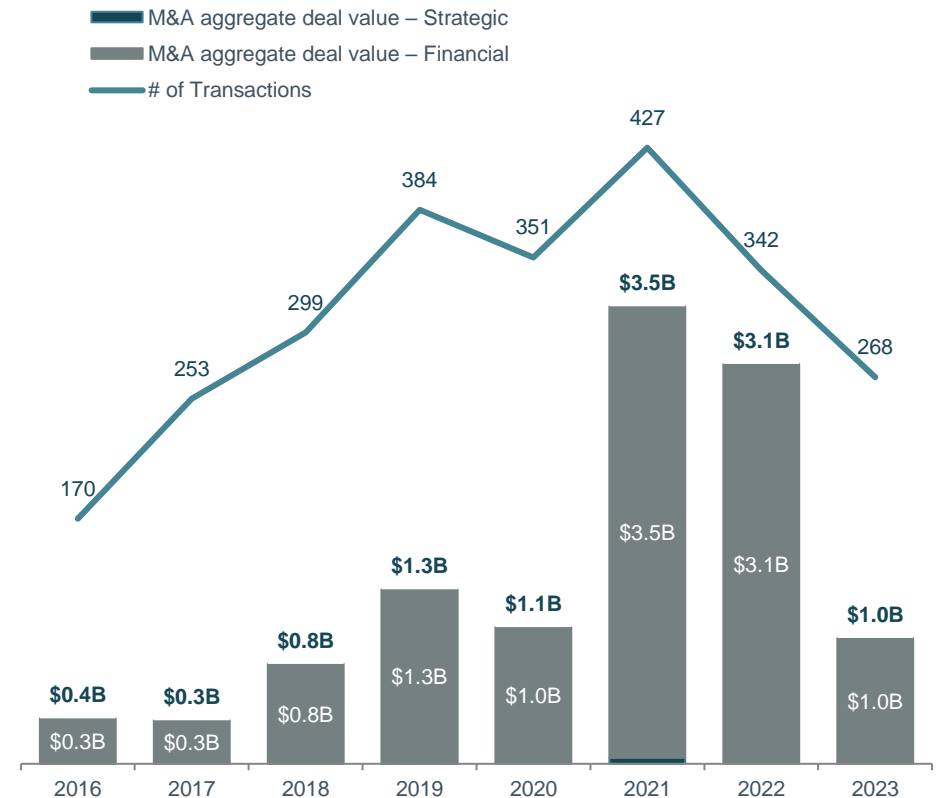
Median EV / Revenue Multiple

2016	2017	2018	2019	2020	2021	2022	2023
1.6x	N/A	2.5x	6.0x	4.6x	7.8x	3.1x	1.7x

Median Capital Invested Per Transaction

2016	2017	2018	2019	2020	2021	2022	2023
\$150.0M	\$11.0M	\$55.0M	\$123.2M	\$41.4M	\$79.7M	\$9.0M	\$45.7M

Global Legal Tech Capital Raise Activity



Median Capital Invested Per Transaction

2016	2017	2018	2019	2020	2021	2022	2023
\$0.6M	\$0.5M	\$0.6M	\$0.9M	\$0.7M	\$1.3M	\$1.2M	\$1.5M




Median Post-Money Valuation

2016	2017	2018	2019	2020	2021	2022	2023
\$4.0M	\$5.2M	\$5.4M	\$7.5M	\$7.7M	\$9.8M	\$13.1M	\$10.5M









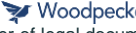












Overview of Select Active Legal Tech Investors

Select Strategic Investors

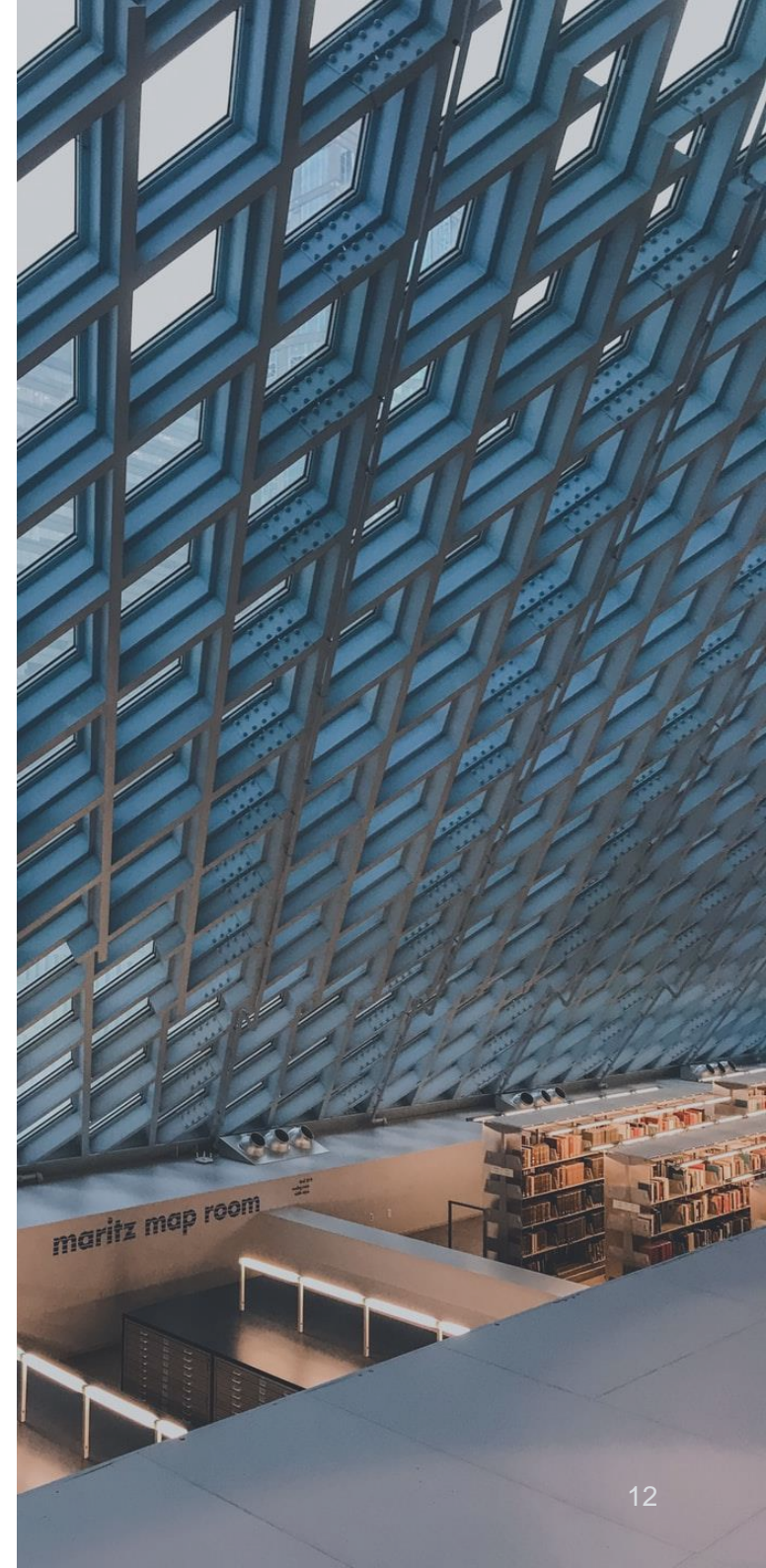
Company	# of Legal Tech Acquisitions	Select Acquisition Abstract
 Wolters Kluwer <small>Alphen aan den Rijn, Netherlands</small>	9	 (Dec 2022) Provider of contract management, analysis, and negotiation software
 LexisNexis® <small>New York, NY</small>	8	 (May 2022) Provider of a contract lifecycle management (CLM) platform
 Aderant <small>Atlanta, GA</small>	7	 (Dec 2021) Provider of workflow efficiency solutions to the legal sector
 Dye & Durham <small>Toronto, Canada</small>	7	INSIGHT LEGAL (Jan 2023) Provider of legal practice management software solutions
 MITRATECH  ONTARIO TEACHERS' PENSION PLAN <small>Austin, TX</small>	6	CONTRACTROOII (May 2021) Provider of a contract lifecycle management (CLM) solutions
 BigHand  LEVINE LEICHTMAN <small>London, United Kingdom</small>	4	 (Feb 2022) Provider business intelligence software solutions to the legal sector
 KLDisc Discovery <small>McLean, VA</small>	4	 (Nov 2023) Provider of contract lifecycle management services
 CARET  THL Thomas H. Lee Partners <small>San Diego, CA</small>	3	 (Jul 2021) Provider of end-to-end legal practice management software
 Clio®  MVP Forge  JMI  TCV <small>Burnaby, Canada</small>	3	 (Sep 2021) Provider of legal document automation software
 onit <small>Houston, TX</small>	3	AXDRAFT (Dec 2020) Provider of an all-in-one contract management platform

Select Financial Investors

Investor	# of Legal Tech Acquisitions	Select Acquisition Abstract
 Hg <small>London, United Kingdom</small>	24	 (Aug 2021) Provider of AI contract analytics software; acquired through Hg's portfolio company Litera
 VISTA EQUITY PARTNERS <small>Austin, TX</small>	10	 (Oct 2023) Provider of vendor and contract lifecycle management solutions
 K1 <small>Manhattan Beach, CA</small>	9	 (Aug 2023) Provider of eDiscovery automation software solutions to legal teams
 TA ASSOCIATES <small>Boston, MA</small>	9	SELECT LEGAL (Aug 2021) Provider of legal practice management software; acquired through TA's portfolio company The Access Group
 Apax <small>London, United Kingdom</small>	5	 (May 2021) Provider of legal document automation software; acquired through Apax's portfolio company MyCase
 ParkerGale <small>Chicago, IL</small>	5	 (Jun 2022) Provider of legal practice management software; acquired through ParkerGale's portfolio company SurePoint
 PSG <small>Boston, MA</small>	5	 (Dec 2020) Provider of electronic signature software
 revolution <small>Washington, DC</small>	5	 (Jan 2016) Provider of technology solutions for legal electronic discovery
 WESTVIEW CAPITAL PARTNERS <small>Boston, MA</small>	5	 (Jul 2019) Provider of eDiscovery software; acquired through WestView/Carlyle/Revolution portfolio company KLDisc Discovery
 ALPINE <small>San Francisco, CA</small>	4	 (Sep 2020) Provider of legal e-payments and AR automation solutions; acquired through Alpine's portfolio company Bill4Time

02.

MERIDIAN TECHNOLOGY INVESTMENT BANKING OVERVIEW



Our Services

We focus exclusively on middle market investment banking services including acquisitions, divestitures, recapitalizations, and strategic advisory.

SELL-SIDE PROCESS

Strategic Sales
Minority Sales
Subsidiary Divestitures

RECAPITALIZATION

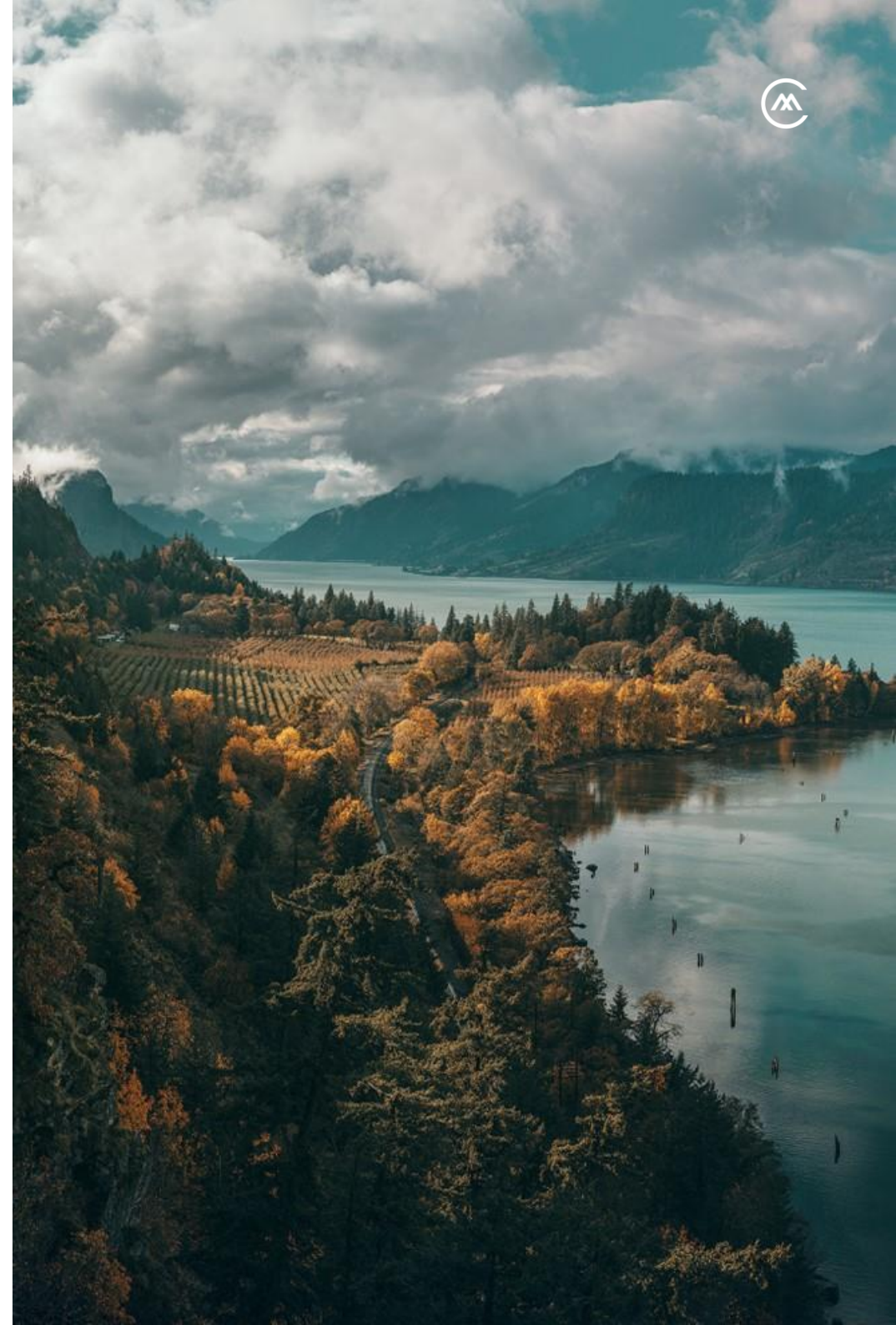
Mergers
Growth Equity
Shareholder Liquidity
Management Buyouts

BUY-SIDE PROCESS

Targeted Buy-side Execution
Add-on Acquisitions
Vertical and Horizontal
Acquisitions

STRATEGIC ADVISORY

Exit Strategy Assessment
Exit Planning and Preparations
Corporate Finance Consulting





Select Software and Technology Transactions

<p>LegitScript</p> <p>- Recapitalized by -</p>	<p>QuickFee*</p> <p>- Established an asset-backed financing with -</p>	<p>Office Ally</p> <p>- Acquired by -</p>	<p>Health Perspectives Group</p> <p>- Acquired by -</p>	<p>AgencyZoom*</p> <p>- Acquired by -</p>	<p>OneStream*</p> <p>- Received an investment by -</p>	<p>Accelalpha</p> <p>- Recapitalized by -</p>
<p>CHEQ</p> <p>- Acquired by -</p>	<p>Aservo</p> <p>- Acquired by -</p>	<p>Rainmaker LRO*</p> <p>- Acquired by -</p>	<p>Subsplash</p> <p>- Growth equity financing by -</p>	<p>Nirvana Soft</p> <p>- Acquired by -</p>	<p>Crosslake Technologies</p> <p>- Acquired by -</p>	<p>TimeClock Plus*</p> <p>- Received an investment by -</p>
<p>Imprev</p> <p>- Acquired by -</p>	<p>TINYpulse</p> <p>- Strategic Advisory -</p>	<p>American Megatrends*</p> <p>- Received an investment by -</p>	<p>OSI*</p> <p>- Acquired by -</p>	<p>SphereBuilder</p> <p>- Strategic Advisory -</p>	<p>Professional Publications, Inc.</p> <p>- Acquired by -</p>	<p>Apollo Video Technology</p> <p>- Acquired by -</p>

* Includes transactions completed by current employees while at previous firms

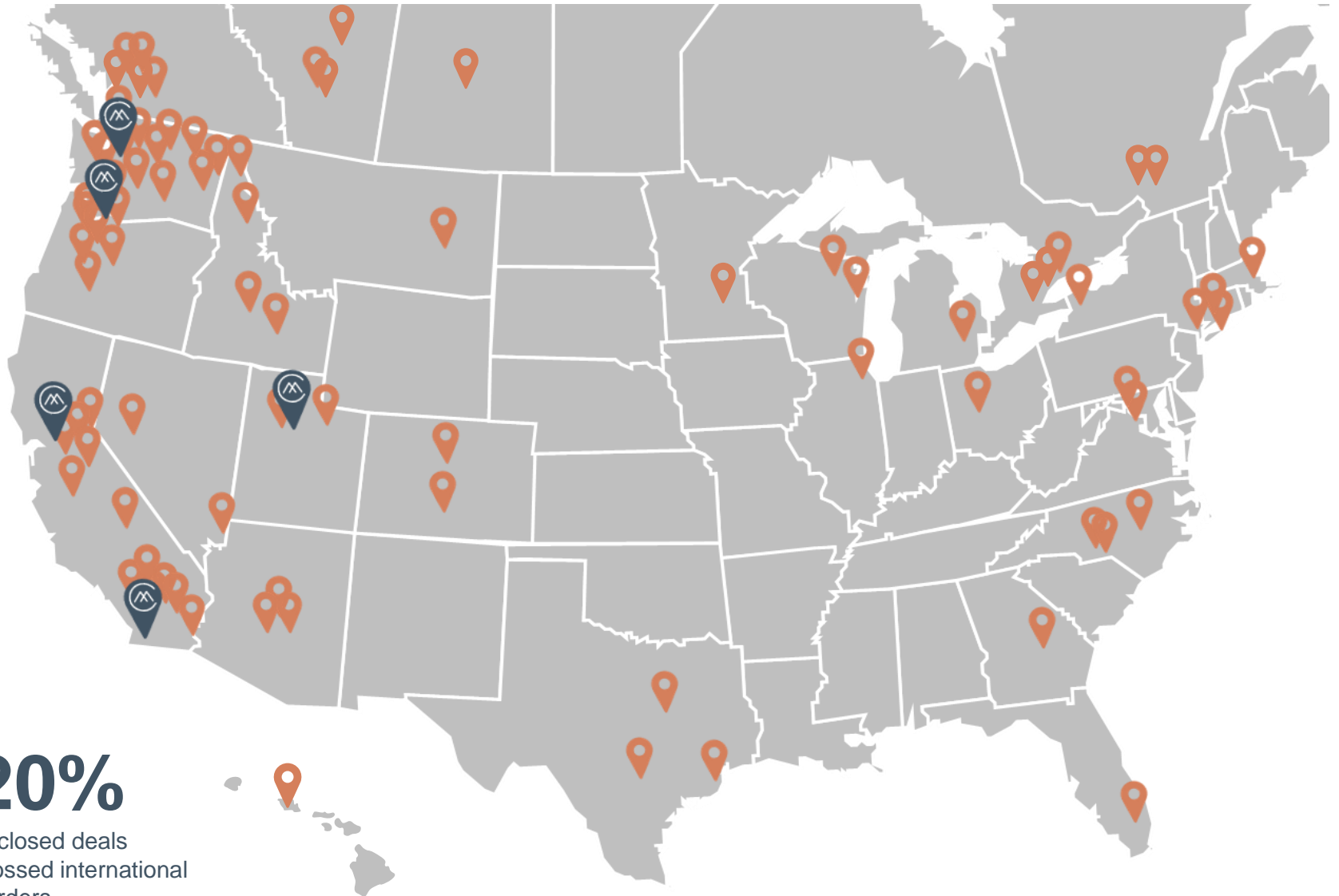


Local Attention, National Reputation, Global Capabilities

Five offices across the Western U.S support national and global transaction engagements across all industry sectors

Key:

- Meridian Capital Office Location
- Current/Prior Client Location Cities



20%

of closed deals
crossed international
borders

03.

APPENDIX





Public Comparables

Company Name	As of May 15, 2024				EV / Revenue		EV / EBITDA		Revenue Growth		TTM	
	Share Price	LTM Change	Market Cap	Enterprise Value	CY 2023E	CY 2024E	CY 2023E	CY 2024E	CY 2023E	CY 2024E	Gross Margin %	EBITDA %
	(\$ in millions, except for share data)											
Legal Tech and Services												
RELX	\$43.91	42.2%	\$81,389	\$89,441	7.9x	7.3x	20.3x	19.1x	8.0%	7.7%	64.9%	29.4%
Thomson Reuters	\$169.11	30.6%	\$76,191	\$78,092	11.4x	10.7x	29.2x	27.5x	3.0%	7.2%	NA	38.0%
Wolters Kluwer	\$157.18	32.9%	\$37,385	\$40,264	6.7x	6.3x	21.2x	19.4x	5.4%	6.6%	71.8%	32.4%
OpenText	\$30.76	(24.6%)	\$8,290	\$15,823	2.8x	2.9x	10.6x	7.9x	57.6%	(0.5%)	72.3%	33.7%
DocuSign	\$61.13	21.6%	\$12,516	\$11,614	4.2x	4.0x	20.7x	14.8x	12.8%	6.4%	79.3%	28.0%
Clarivate	\$6.39	(15.9%)	\$4,270	\$10,021	3.8x	3.8x	9.0x	9.3x	(1.1%)	(0.8%)	65.9%	42.0%
LegalZoom	\$9.49	(11.3%)	\$1,786	\$1,566	2.4x	2.2x	13.8x	11.4x	6.2%	7.9%	63.0%	18.6%
IntApp	\$37.00	(16.1%)	\$2,717	\$2,550	6.7x	5.5x	NM	NM	23.0%	21.2%	69.9%	9.1%
Cellebrite DI	\$11.47	112.4%	\$2,355	\$2,066	6.5x	5.5x	38.2x	27.4x	17.4%	18.4%	83.6%	19.1%
Dye & Durham	\$10.08	(14.9%)	\$675	\$1,606	4.8x	4.7x	8.7x	8.5x	(8.8%)	2.5%	67.6%	55.3%
DISCO	\$7.05	20.5%	\$423	\$283	2.1x	1.9x	NM	NM	1.5%	6.9%	74.7%	(12.9%)
Mean	\$49.42	16.1%	\$20,727	\$23,030	5.4x	5.0x	19.1x	16.1x	11.4%	7.6%	71.3%	26.6%
Median	\$30.76	20.5%	\$4,270	\$10,021	4.8x	4.7x	20.3x	14.8x	6.2%	6.9%	70.8%	29.4%



M&A Activity: Legal Tech

(\$ in millions)							Enterprise Value (\$M)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Date	Target	Acquirer	Target Description						
May-24	inCase	The Access Group (Hg, TA Associates)	Integrated case management platform			nd	nd	nd	
May-24	Lexion	DocuSign	Contract management system designed to organize all contracts in one place			\$165	nd	nd	
Jan-24	Jarvis Legal	LexisNexis Group	Legal practice management software for law firms			nd	nd	nd	
Oct-23	Gatekeeper	Vista Equity Partners	Vendor, contract and third-part risk management			\$100	nd	nd	
Oct-23	ProSearch	Consello Group	Cloud-based e-discovery management platform offering strategic legal business information			nd	nd	nd	
Sep-23	Akorda	LegalSifter	Legal platform designed to simplify and accelerate the contracting process			nd	nd	nd	
Aug-23	FilePro	Actionstep (Serent Capital)	Legal practice management software intended to serve law firms			nd	nd	nd	
Aug-23	Case Law Analytics	LexisNexis Group	Legal analytics software			nd	nd	nd	
Aug-23	Casetext	Thomson Reuters	Research platform designed to offer the public access to legal research			\$650	nd	nd	
Aug-23	Logikcull	Reveal Data (K1)	Legal software designed to help solve complex challenges			nd	nd	nd	
Jul-23	Propylon	RWS Holdings	Provider of legislative management software			\$32	nd	nd	
May-23	BaseNet	Blinqx (Hg)	Cloud-based legal software solutions for law practices			nd	nd	nd	
May-23	Ghostpractice	Dye & Durham	Law practice management software designed to help legal practitioners			nd	nd	nd	
Apr-23	Doctrine	Summit Partners	Legal research and analytics platform			\$108	nd	nd	
Mar-23	LIGL	Reveal Data (K1)	Digital evidence and lifecycle management platform for enterprise legal departments			nd	nd	nd	
Mar-23	Fastcase	vLex (Oakley Capital)	Cloud-based software tools intended for lawyers			nd	nd	nd	
Feb-23	Coupa	Thoma Bravo	Business spending and contract management solutions			\$8,000	9.8x	nd	
Feb-23	Litify	Bessemer Venture Partners	Legal practice management platform			nd	nd	nd	
Jan-23	Insight Legal	Dye & Durham	Cloud-based legal software designed to serve solicitors			nd	nd	nd	
Jan-23	Zapproved	Exterro (Coller Capital, Leeds Equity)	E-discovery software intended to serve corporate legal departments			\$238	nd	nd	
Jan-23	Shoobx	Fidelity Investments	Platform designed to help attorneys to automate, generate, execute and store legal documents			\$43	nd	nd	



M&A Activity: Legal Tech

(\$ in millions)				Enterprise Value (\$M)	Enterprise Value / Revenue	Enterprise Value / EBITDA
Date	Target	Acquirer	Target Description			
Dec-22	Della	Wolters Kluwer	Contract analysis software designed for negotiating and managing contracts	\$12	0.5x	11.3x
Dec-22	FormSwift	Dropbox	Platform to streamline corporate documents; offers pre-built templates, forms, and contracts	\$95	7.0x	nd
Dec-22	Libryo	ERM (KKR)	Automated and cloud-based platform to help compliance professionals and in-house lawyers	nd	nd	nd
Sep-22	Unison	MDP	Supply chain and contract management	\$1,000	nd	nd
Sep-22	LawMaster	Actionstep (Serent Capital)	Legal software solution intended for law firms	nd	nd	nd
Jul-22	KeyHouse	Dye & Durham	Risk and case management software technology designed to serve legal firms	nd	nd	nd
Jul-22	Ideagen	Hg	Regulatory and compliance-based information management software	\$1,060	nd	nd
Jul-22	Hyperlex	DillTrust (Cathay Capital Private Equity)	Contract management and discovery platform	\$32	nd	nd
Jun-22	Level Programs	Wolters Kluwer	Management control software for the legal market	\$6	3.1x	nd
Jun-22	MyCase	AffiniPay (TA Associates Management)	Cloud-based legal practice management platform intended to help law firms run smoothly	nd	nd	nd
Feb-22	Docskiff	Jaggaer (Cinven)	Contract discovery and analytics solutions	nd	nd	nd
Feb-22	Iubenda	team.blue (HgCapital)	Compliance platform designed to help clients with online and privacy laws	\$124	16.7x	nd
Jan-22	Prosperoware	Litera (HG Capital)	Privacy and regulatory compliance platform for the digitized legal industry	nd	nd	nd
Jan-22	Contractworks	Onit (Ebridge)	Compliance-based information management	nd	nd	nd
Median				\$108	7.0x	11.3x
Average				\$778	7.4x	11.3x

Thank you

CONTACT INFORMATION

Matt Rechtin

Managing Director

(917) 575-2041

mrechtin@meridianib.com

Patrick Ringland

Principal & Managing Director

(206) 224-6155

pringland@meridianib.com

Tim Johnson

Senior Associate

(805) 758-9606

tjohnson@meridianib.com

Gavin Prentice

Analyst

(206) 495-8807

gprentice@meridianib.com



1809 7th Avenue #1330, Seattle, WA, 98101



<https://meridianib.com>



9755 SW Barnes Road, Suite 680, Portland, OR, 97225



10 West Broadway, Suite 700, Salt Lake City, UT, 84101



4660 La Jolla Village Drive Suite 215, San Diego, CA, 92122

