



TECH M&A MONTHLY

....starts in 2 minutes

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The Global Leader in Software M&A

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EXPERIENCE | SOFTWARE MARKETS

Horizontal Applications | Vertical Applications | Consumer Applications | Infrastructure | Internet | IT Services

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MERGERS & ACQUISITIONS

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Resources
Markets
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WHAT'S MY COMPANY WORTH?

"We engaged Corum to obtain liquidity for some of our shareholders. With their assistance we were able to accomplish this objective and the preparation work helped us to eventually secure a significant investment from the venture capital community. We are happy with the outcome."

Charles Plant
Dynamics

THE GLOBAL LEADER IN SOFTWARE M&A

Corum's experience makes the difference. Hundreds of software M&A transactions spanning six continents during its 27-year history let Corum deliver a proven business process conducted by the top professional staff using the industry's deepest research and world's largest buyer database.

- **The Global Leader:** Selling more software companies than anyone else. From offices in eight countries.
- **The Specialist:** Only M&A. Only for sellers. Only for software companies.
- **The Highest Value** for your company: experience makes the difference.

--- **News**

August 9, join us for our annual second half sellers panel. Hear straight from software CEOs what it's like to sell in today's market. Plus, metrics and recent deals, in a live, 30-minute format. [Register today.](#)

SEE THE CORUM DIFFERENCE

Watch the world's most experienced software M&A professionals working to get maximum value for their clients' companies. >> [Watch](#)

SELLING UP SELLING OUT

Planning an exit strategy within the next five years? Prepare your company to get optimal value at the premier software M&A executive forum. >> [Watch](#)

TRANSACTIONS

ANSYS
Engineering Software Solutions

ESTEREL
E-commerce Solutions

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MERGERS & ACQUISITIONS

Transactions

EVENTS

15 August 2012
Silicon Valley - Selling Up, Selling Out
Offices of DARL Denton

16 August 2012
Denver - Selling Up, Selling Out
Offices of Holland & Hart

23 August 2012

www.corumgroup.com

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Past Attendees Include:



Past Conferences & Reports

- Private Equity Panel
- Buyers Panel
- Google Acquisition Strategy
- Crowdfunding M&A Impact
- Special Reports: SaaS, Mobile, Gaming, Social, Cloud, Geospatial, Security
- Special Reports: Facebook Effect, Dell, Microsoft, HP, IBM...



TECH M&A MONTHLY

....starts in 1 minute

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Merge Briefing

- 90 Minutes
- Industry Update
- Overview of the M&A Process
- Upcoming events in:



- | | |
|------------------|-----------------|
| ▪ Memphis | ▪ Istanbul |
| ▪ Nashville | ▪ Richmond |
| ▪ San Antonio | ▪ Raleigh |
| ▪ Austin | ▪ Reston |
| ▪ Houston | ▪ San Francisco |
| ▪ Salt Lake City | ▪ Columbia |

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Selling Up, Selling Out

- Half-Day
- Tech M&A Bootcamp
- The most attended tech executive conference in history
- Upcoming events in:
 - Hamburg
 - Minneapolis
 - Denver
 - Copenhagen
 - Sacramento
 - Cleveland
 - Moscow
 - St. Louis
 - Indianapolis
 - Bellevue



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8 Stages for an Optimal Outcome

1



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Typical Negotiation Flow



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 AVOIDING THE
DEAL DISASTERS

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Upcoming Conference Schedule

Selling Up Selling Out (SUSO) - Ready to go to market? During this half-day workshop, learn to prepare, position, research, value, negotiate, and execute due diligence for maximum price and structure. This is the most attended Tech M&A event ever – participants have done over \$1 trillion in transaction value.

Merge Briefing (MB) - The Merge Briefing is a 90-minute executive briefing providing a current M&A market update (trends, valuations, etc.), as well as a brief overview of the Tech M&A process: "8 Steps To An Optimal Outcome."

Apr. 16: Hamburg – SUSO	May 22: Istanbul – MB
Apr. 22: Minneapolis – SUSO	May 22: Salt Lake City – MB
Apr. 30: Memphis – MB	May 27: Richmond – MB
May 1: Nashville – MB	May 28: Raleigh – MB
May 14: San Antonio – MB	May 29: Reston – MB
May 15: Austin – MB	Jun. 10: San Francisco – MB
May 15: Vancouver – MB	Jun. 11: Sacramento – SUSO
May 16: Houston – MB	Jun. 17: Cleveland – SUSO
May 21: Copenhagen – SUSO	Jun. 17: Columbia – MB

www.CorumGroup.com/Events

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Logistics

- Ask questions for Q&A session
 - Use Q&A window on right side
 - Submit to queue at any time
 - Ask "all panelists" – see "ask" option above text-entry box
- This event is being recorded
 - Rebroadcast April 17, 12:30am PT, and 8:00am PT
 - See "Conferences and Events" at MergersAndAcquisitions.webex.com

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Global Tech M&A Monthly

Q1: 2014 Quarterly Report

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Moderator



Bruce Milne
CEO
Corum Group Ltd.

A leader in the software industry, Bruce has founded or owned four software companies, including the largest vertical market software company, AMI, an Inc. 500 firm rated by IDC as the fastest growing computer-related company in the world.

He has served on advisory boards for Microsoft, IBM, DEC, Comdex and Apple, and as board member/founding investor in some of the most innovative firms in their field, including Blue Coat, Bright Star and Sabaki. Past advisor to two governors and a senator, a board member of the Washington Technology Center, and founder of the WTIA, the nation's most active regional technology trade association.

He worked with the Canadian government to found SoftWorld, and he was recently chosen as one of the 200 most influential individuals in the IT community in Europe. He was also the only American juror for the recent Tornado 100 Awards given to Europe's top technology firms

A graduate with Distinction from Harvard Business School, Bruce has written three books on business models for success, including *Power Planning*. He is a frequent lecturer and author.

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Agenda

- Welcome
- Special Report - India
- Conference Report - World Financial Symposiums
- Field Report - CITYTECH
- Top Ten Tech Trend - Online Exchanges
- Quarterly Tech M&A Report
- Closing Thoughts
- Q&A

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Special Report – India



Timothy Goddard
Vice President, Marketing
Corum Group Ltd.

Timothy joined Corum in 2011, and oversees the company's marketing efforts globally from the headquarters near Seattle. Chief among these is Corum's extensive conference schedule, "Selling Up, Selling Out," the Merge Briefing, the Tech M&A Monthly webcast and Corum's platinum sponsorship of the World Financial Symposiums' live events and Market Spotlight series. Through these events, Corum Group serves as the world's leading educator in technology mergers and acquisitions.

Prior to joining Corum, Timothy served as marketing and product manager for GIS software startup Depiction, Inc., and previously worked in marketing for VizX Labs, a pioneering SaaS startup delivering DNA analysis tools. In addition to marketing for software startups, Tim has worked for a US Senate campaign and taught science in Rio de Janeiro.

Timothy graduated Magna Cum Laude from Bethel University in St. Paul, Minnesota, with degrees in History and Biology.

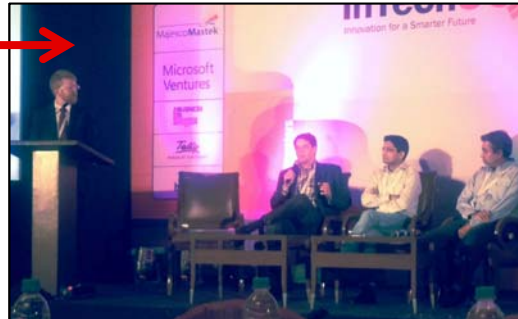
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Special Report – India



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Special Report – India



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Special Report – India



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Special Report – India



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Conference Report – WFS



John Simpson
Vice President
Corum Group Ltd.

Prior to joining Corum's team, for 12 years John ran a leading boutique M&A firm in Silicon Valley specializing in technology-based transactions that included company sales and acquisitions, asset divestitures, management buyouts and capital raises.

Previously John spent more than 20 years in the enterprise software arena, including C-level executive roles with BMC Software Inc. Ingres Corporation, and DEC. During these assignments he managed product lines located across the USA and Europe, and drove multimillion \$\$ strategic alliances and OEM sales channels. John also participated in several software startups in Silicon Valley during the 1980's, including founding Analytica, one of the industry's first ever software firms to be venture-capital funded.

John has been a presenter and panelist at many technology and business conferences in the USA and Europe. He is a past member of Microsoft's Advisory Board for Application Development. He has published numerous articles on Growth & Exit planning, and has taught M&A basics to burgeoning capitalists in Shanghai, China.

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GROWTH & EXIT STRATEGIES FOR SOFTWARE & IT COMPANIES



WFS
EDUCATING TECHNOLOGY LEADERS

Silicon Valley
2014



Aaron Crum

YAHOO!



Alan Naumann

41STPARAMETER



Adam Boutin

M
Menlo



Petri Oksanen

FP
FINANCIAL PARTNERS

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Field Report – CITYTECH



Ed Ossie
Regional Director
Corum Group



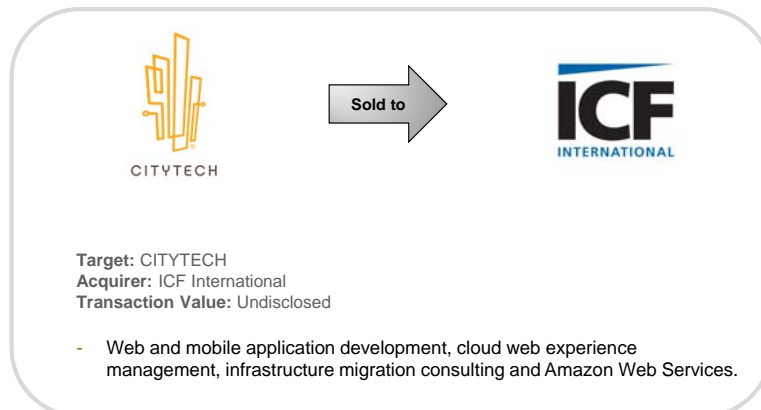
Ed has over 30 years of international experience serving high-growth technology companies and has spent the last 20 years in chief operating and chief executive roles. During this time, Ed has become known for his ability to design, build and execute multi-year growth strategies with a highly engaged team.

Ed served as President of Innovation Group PLC, and prior to that led the sale of MTW Corporation to Innovation Group as MTW CEO. Both companies are in the insurance software and business process services segments. Prior to that he was Division Manager and Vice President for the Texas Instruments Software Group, which grew from startup to 1300 people in 5 years.

Today he advises a number of high-growth technology teams on how they might win, shape and scale their operations to create viable high impact options for their future. Ed graduated with a Bachelor of Science degree from Missouri State University and attended select Executive Programs at Stanford Graduate School of Business, such as the Executive Program for Growing Companies and the 2011 Directors Consortium.

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Field Report – CITYTECH



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Field Report – CITYTECH



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Field Report – CITYTECH



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Field Report – CITYTECH



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Field Report – CITYTECH



Ed Ossie
Regional Director
Corum Group



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Top Ten Tech Trends 2014

CREATE



Mobilization



Enmeshed Systems



Advanced Manufacturing



Digital Force Multipliers



Information Security

CONNECT



Omni-Channel Marketing



Data-Connected Networks



Online Exchanges



Digital Currency Flow



Internet of Things

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Top Ten Tech Trends 2014

CREATE



Mobilization



Enmeshed Systems



Advanced Manufacturing



Digital Force Multipliers



Information Security

CONNECT



Omni-Channel Marketing



Data-Connected Networks



Online Exchanges



Digital Currency Flow



Internet of Things

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Digital Currency Flow



Internet of Things

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Top Ten Tech Trends 2014

CREATE

CONNECT

Mobilization

Embedded Systems

Digital Force Multipliers

Information Security

Online Exchanges

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Top Ten Trend – Online Exchanges



Mark Johnson
Director
Corum Group International, Ltd.

Mark's professional experience is as an M&A advisor, CEO of an IT company, Venture Capitalist, IT Management Consultant and Naval Officer. The thread throughout his career has been Information Technology, its commercialization, and its applications towards improving business effectiveness. His undergraduate education is from the U.S. Naval Academy in Annapolis, MD, where he received a degree in Systems Engineering.

In 2006 he spent one year at the Stockholm School of Economics attaining an MBA. Additionally, he was a semi-professional road cyclist and was ranked 1st in the U.S. Mid-Atlantic. He enjoys the challenges and dynamism involved with identifying new technology innovations with strong commercialization applications, particularly in an international setting where he has had the opportunity to work in numerous countries throughout Asia, the Middle East, Europe, and Africa.

Serving as a Naval Officer provided an exceptional leadership opportunity in a challenging and diverse environment.



Online Exchanges

Connecting Creators & Consumers

- Connecting those who need something with those who have it in real time.
- Previously, disintermediators like Expedia, iTunes, etc. Today, building new kinds of connections.
- Real-life Examples:
 - Demographically parsed survey data
 - Qualified, filtered higher ed candidates
 - Medical referrals



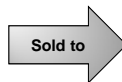
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Online Exchanges

Connecting Creators & Consumers

nervogrid



ALSO

Target: Nervogrid [Finland]
Acquirer: ALSO Holding AG
Transaction Value: Undisclosed

- Nervogrid offers the Cloud Control Panel-as-a-Service, a SaaS-based platform used by Tier-1 telcos, global service providers, IT distributors, and enterprise IT organizations to sell, aggregate, provision, support and invoice third-party hosted services (SaaS, PaaS, IaaS, etc.).
- Enables IT service providers to easily package and provision cloud-based solutions for their customers.

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Top Ten Trend – Online Exchanges



Mark Johnson
Director
Corum Group International, Ltd.



Mark's professional experience is as an M&A advisor, CEO of an IT company, Venture Capitalist, IT Management Consultant and Naval Officer. The thread throughout his career has been Information Technology, its commercialization, and its applications towards improving business effectiveness. His undergraduate education is from the U.S. Naval Academy in Annapolis, MD, where he received a degree in Systems Engineering.

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Corum Research Report



Elon Gasper
Vice President,
Director of Research



Alina Soltys
Senior Analyst



Amber Stoner
Senior Analyst



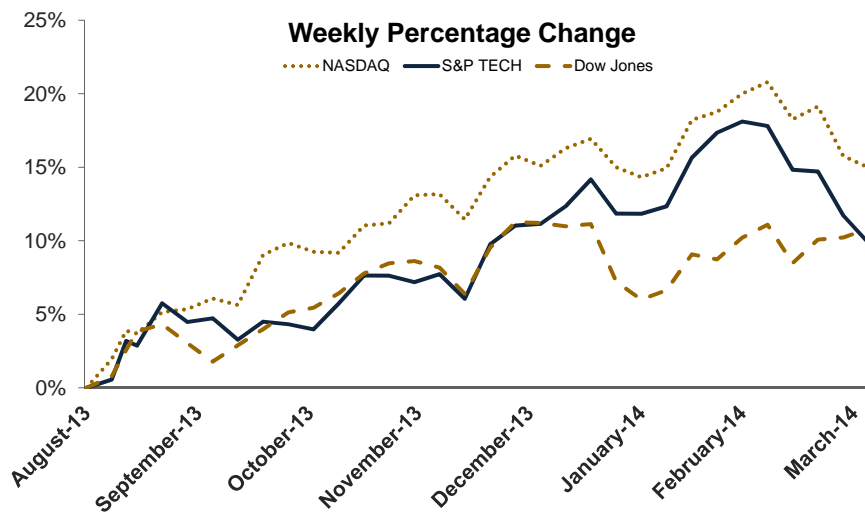
Laura Duren
Analyst



Eugene Grishenki
Analyst



Public Markets



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Corum Index

	Q1:2013	Q1:2014
# of Transactions	798	819
# of Mega Deals	10	19
Largest Deal	\$24.8B	\$19.0B
Private Equity Deals	41	49
# VC backed Exits	177	158
% Cross Border Transactions	32%	31%
% of Startup Acquisitions	11%	12%
Average Life of Target	13	14

Buyer	Seller	Price
Facebook	WhatsApp	\$19B
Google	Nest Labs	\$3.2B
Yahoo! Japan	eAccess	\$3.2B
Advent International	Nets Holding	\$3.1B
Lenovo Group	Motorola Mobility	\$2.9B
KKR	Sedgwick Claims	\$2.4B
Lenovo Group	IBM (x86 server business)	\$2.3B
Facebook	Oculus VR	\$2.0B

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Corum Index

Deal Spotlights



facebook.

Sector: Mobility
Target: WhatsApp, Inc.
Acquirer: Facebook
Transaction Value: \$19 billion

- Mobile messaging applications enabling users to send and receive group messages, photos and videos and share their locations.



facebook.

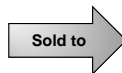
Sector: Gaming
Target: Oculus VR, Inc.
Acquirer: Facebook
Transaction Value: \$2 billion

- Virtual reality-focused head-mounted displays used for immersive gaming environments.

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Corum Index

Deal Spotlights



YAHOO!
JAPAN

Sector: Communications Services
Target: eAccess Ltd.
Acquirer: Yahoo! Japan
Transaction Value: \$3.2 billion

- Wholesale and retail broadband and wireless Internet with a focus on providing ADSL service.



Google

Sector: Energy
Target: Nest Labs
Acquirer: Google
Transaction Value: \$3.2 billion

- Wireless, sensor-based smart energy thermostats that automatically adjust temperature based on user behavior and can be remotely controlled via computers or smart phones.

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Corum Index

Deal Spotlights



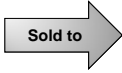
Advent International
GLOBAL PRIVATE EQUITY



BainCapital

Sector: Transaction Processing
Target: Nets Holding [Denmark]
Acquirer: Advent International, ATP and Bain Capital
Transaction Value: \$3.1 billion

- Payment card transaction processing services.



KKR

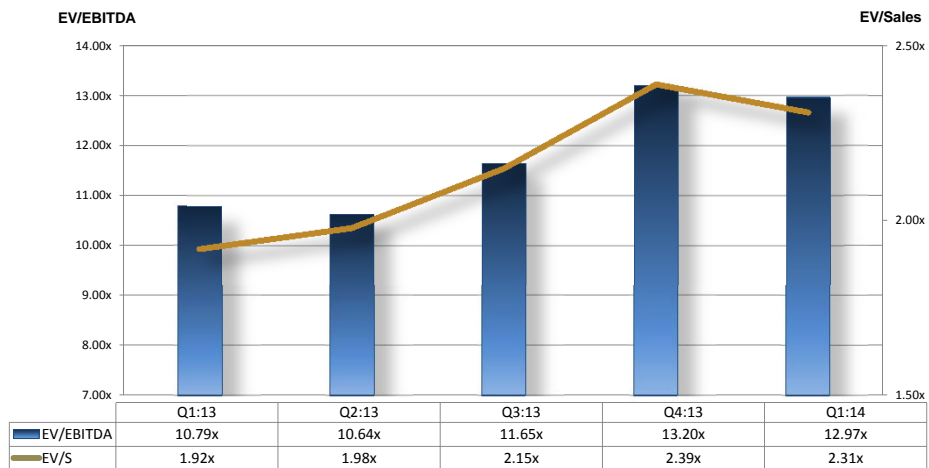
Sector: Business Processing
Target: Sedgwick Claims Management Services
Acquirer: KKR
Transaction Value: \$2.4 billion

- Outsourced, tech-enabled insurance claims processing management services.

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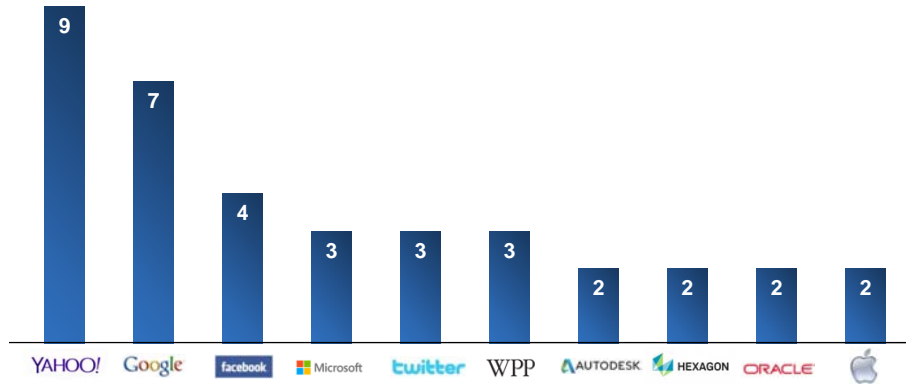


Aggregate Six Markets



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Top 10 Strategic Acquirers: Q1 2014

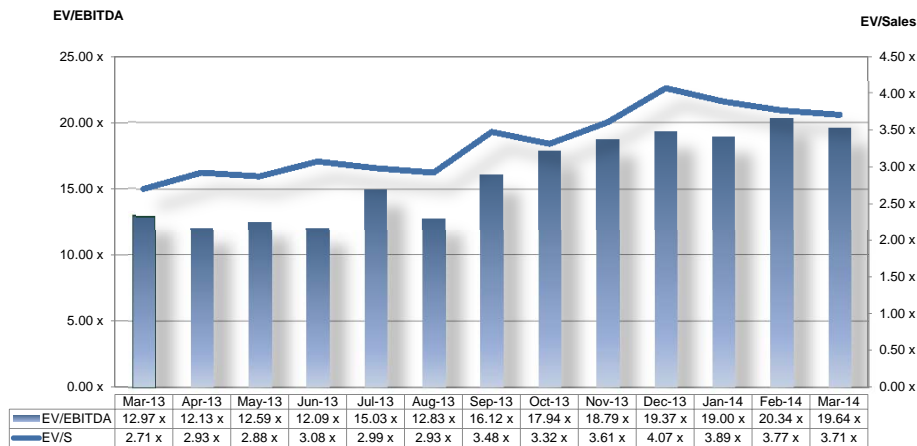


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Horizontal Application Software Market

Public Valuation Multiples



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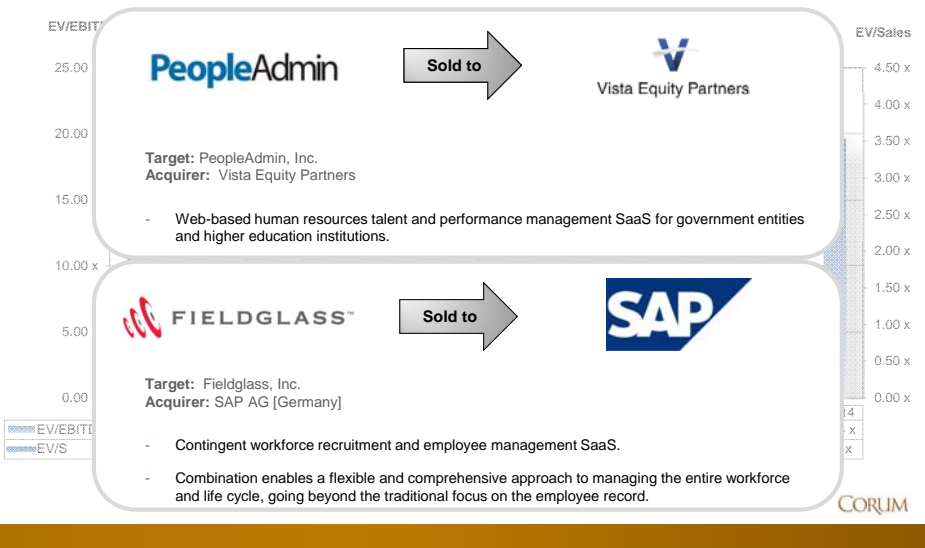
Horizontal Application Software Valuations

Subsector		Sales	EBITDA	Examples		
Business Intelligence	↓	2.64x	21.02x	INFORMATICA	QlikTech™	MicroStrategy
Human Resources	↓	4.94x	64.59x	CALLIDUS	Ultimate SOFTWARE	saba
SCM	↓	7.19x	30.98x	SPS Commerce	AMERSON SOFTWARE	Manhattan
Communications	↑	1.83x	16.96x	amdocs	Constant Contact	NUANCE
ERP	↑	3.37x	11.39x	ORACLE	SAP	NETSUITE
CRM	↓	3.20x	48.83x	salesforce.com	LIVEPERSON	CONVERGYS
Content Mgmt.	↑	4.23x	13.75x	OPEN TEXT		
Horizontal Other	↑	7.70x	21.44x	Trimble	sciQuest	C-ncur™



Horizontal Application Software Market

Deal Spotlights





Horizontal Application Software Market

Deal Spotlights

EV/EBITDA

25.00 x

20.00 x

15.00 x

10.00 x

5.00 x

0.00 x

EV/EBITDA

EV/S

talent neuron

Sold to



Target: Talent Neuron
Acquirer: The Corporate Executive Board
Transaction Value: \$8 million

- Employee management, analytics, recruiting and general HR planning and employment market intelligence SaaS.

EV/Sales

4.50 x

4.00 x

3.50 x

3.00 x

2.50 x

2.00 x

1.50 x

1.00 x

0.50 x

0.00 x



Sold to



Target: KnowledgeAdvisors, Inc.
Acquirer: The Corporate Executive Board
Transaction Value: \$52 million

- HR training program management SaaS that includes evaluations and ties training programs' efficacy to operational metrics.

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Horizontal Application Software Market

Deal Spotlight

EV/EBITDA

25.00 x

20.00 x

15.00 x

10.00 x

5.00 x

0.00 x

EV/EBITDA

EV/S



Sold to



Sector: CRM
Target: LiveVox, Inc.
Acquirer: Golden Gate Capital
Transaction Value: \$85 million

- Integrated contact center solutions via a unified multi-tenant cloud platform.
- Adds on to previous investment in the contact center software market of Aspect Software.

EV/Sales

4.50 x

4.00 x

3.50 x

3.00 x

2.50 x

2.00 x

1.50 x

1.00 x

0.50 x

0.00 x

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Horizontal Application Software Market

Deal Spotlight

KANA.



VERINT™

Sector: CRM
Target: KANA Software
Acquirer: Verint Systems
Transaction Value: \$514 million

- Customer service management software and SaaS with features for call center, email response and live chat management.
- Becomes first major call-center software player to use M&A to expand beyond the phone.

EV/Sales
 4.50 x
 4.00 x
 3.50 x
 3.00 x
 2.50 x
 2.00 x
 1.50 x
 1.00 x
 0.50 x
 0.00 x



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Horizontal Application Software Market

Deal Spotlights

ITSONIX

SOFTWARE EXCELLENCE



Enghouse Systems

Software engineered for results

Sector: CRM
Target: IT Sonix AG [Germany]
Acquirer: Enghouse Systems Limited [Canada]
Transaction Value: \$9.7 million

- Outbound and inbound contact center software and SaaS for businesses in the telecommunications and telemarketing industries in Europe.
- Expands existing operations in Germany and establishes a presence in Italy.

EV/Sales
 4.50 x
 4.00 x
 3.50 x
 3.00 x
 2.50 x
 2.00 x
 1.50 x
 1.00 x
 0.50 x
 0.00 x

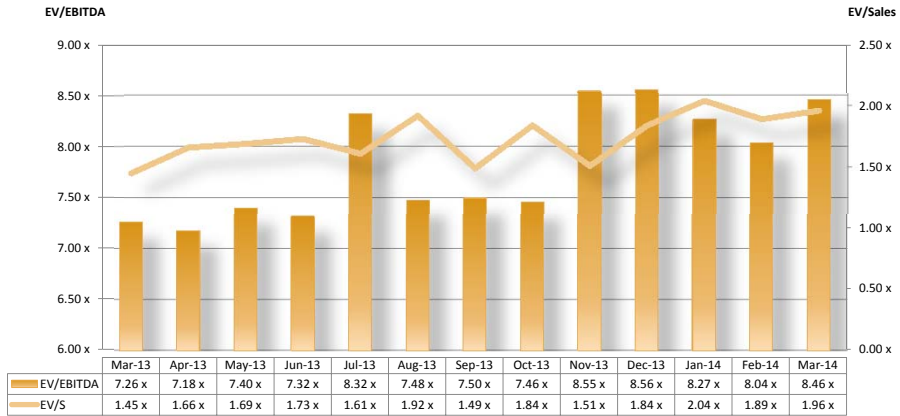


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Consumer Application Software Market

Public Valuation Multiples



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Consumer Application Software Valuations

Subsector		Sales	EBITDA	Examples		
Digital Content	↑	1.81x	22.04x			
Video Games	↑	2.16x	7.13x			

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Consumer Application Software Market

Deal Spotlight



Sector: Social Media

Target: Klout, Inc.

Acquirer: Lithium Technologies, Inc.

Transaction Value: Estimated \$200 million cash and stock

- Social media analytics software for consumers to monitor their influence on social network users.
- Helps marketing customers launch larger social media campaigns and evaluate their success afterward.



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Consumer Application Software Market

Deal Spotlight



Sector: Digital Video

Target: Cameo

Acquirer: Vimeo

Transaction Value: Undisclosed

- Application enabling iPhone users to create, edit and share short video movies using their smartphone camera.
- Users edit and customize videos with professional-grade effects such as video overlays, title cards, and custom fonts packaged into themes.



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Consumer Application Software Market

Deal Spotlight

 **Branch**



facebook.

Sector: Social Media
Target: Branch Media
Acquirer: Facebook
Transaction Value: Estimated \$15 million

- Creates invite-only and public conversations allowing users to publish on social networks.



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Consumer Application Software Market

Deal Spotlight

Gravity



Aol.

Sector: Online Marketing
Target: Gravity
Acquirer: AOL
Transaction Value: \$83 million cash plus \$7.7 million earn-out potential

- Web and mobile applications that personalize online content for consumers based on their interests.
- Uses M&A to strengthen its ad tech offerings.
- Comes a month after Marketo picked up Gravity competitor Inshightera.

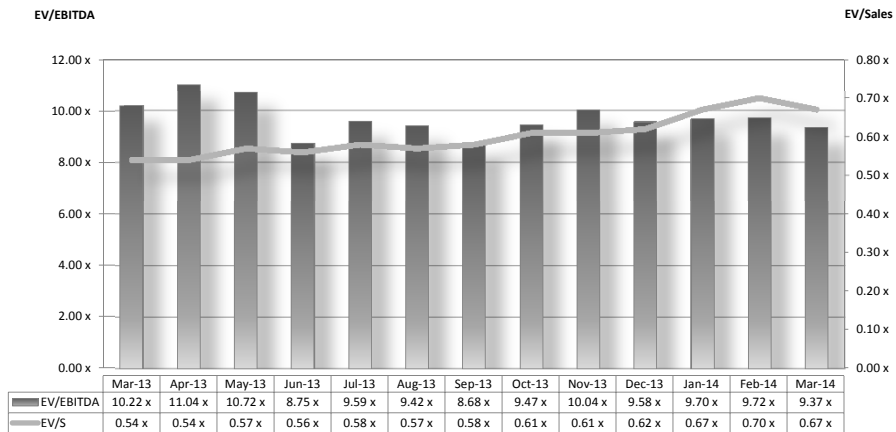


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IT Services Market

Public Valuation Multiples

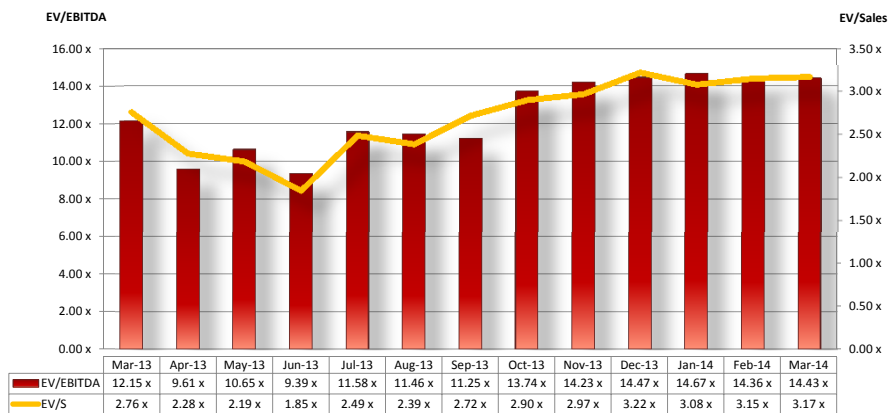


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Asian IT Services Market

Public Valuation Multiples



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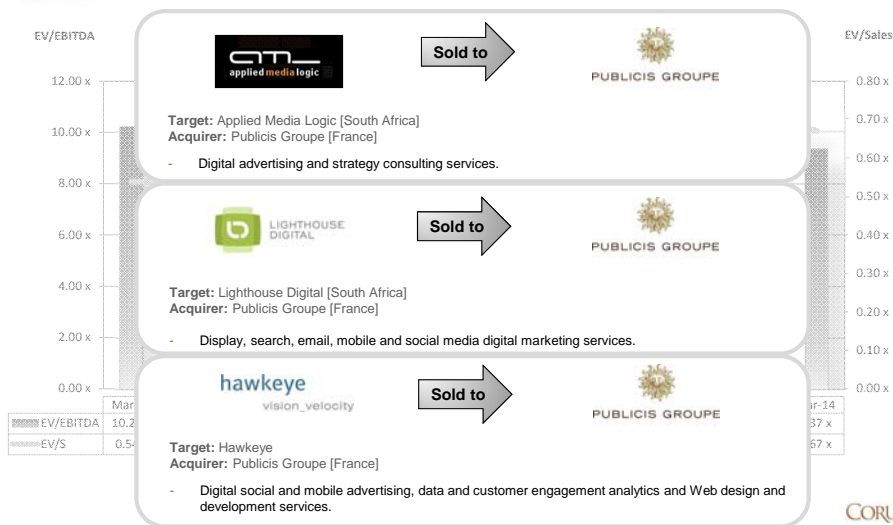
IT Services Valuations

Subsector		Sales	EBITDA	Examples		
N. AM/Europe	↑	0.67x	9.37x		accenture	
Asia	↑	3.17x	14.43x			



IT Services Market

Deal Spotlights





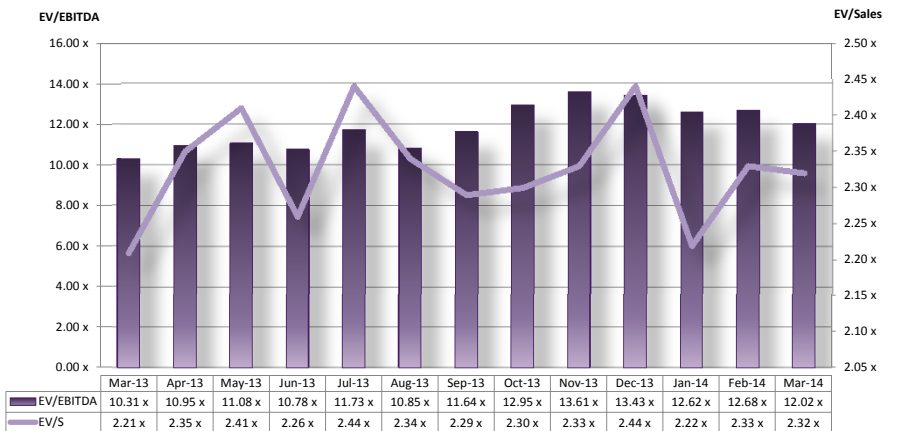
IT Services Market

Deal Spotlights



Infrastructure Software Market

Public Valuation Multiples





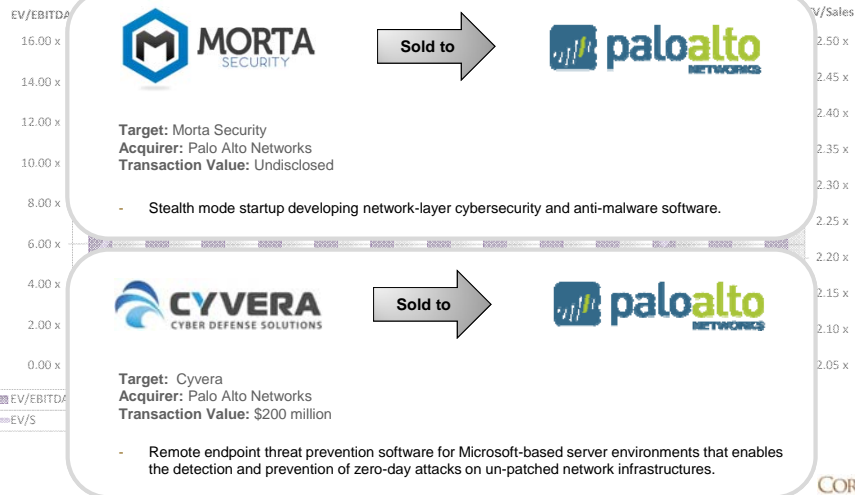
Infrastructure Software Valuations

Subsector		Sales	EBITDA	Examples		
Infrastructure Communications	↑	2.08x	15.17x	BROADSOFT	NOKIA	eGain
Network Management	↑	3.68x	15.64x	NETSCOUT	solarwinds	CISCO
Storage	↓	1.40x	9.54x	EMC ²	commvault	QLOGIC
Development Tools	↓	2.33x	9.49x	Compuzware	intel	PROGRESS SOFTWARE
Security	↑	3.70x	13.68x	symantec.	Check Point SOFTWARE TECHNOLOGIES LTD.	VeriSign
Virtualization	↑	4.38x	27.87x	CITRIX	LogMeIn	vmware
Legacy/SOA	↑	2.83x	15.26x	BLUEPHOENIX The Legacy Modernization Company	jacada	TIBCO The Power of Now™
Systems Mgmt.	↓	2.54x	8.66x	bmc software	IBM	ca



Infrastructure Software Market

Deal Spotlights





Infrastructure Software Market

Deal Spotlight



Sector: Security
Target: Carbon Black
Acquirer: Bit9, Inc.
Transaction Value: Estimated over \$40 million

- Threat detection and response software enabling assessment of potential vulnerabilities, endpoint integrity and detect advanced threats in real time.
- Moves beyond whitelisting toward holistic threat detection and prevention.

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Infrastructure Software Market

Deal Spotlight



Sector: Virtualization
Target: V3 Systems
Acquirer: Sphere 3D Corporation [Canada]
Transaction Value: \$9.7 million

- Desktop virtualization appliance management software.
- Drop-in deployments of virtual applications.

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Infrastructure Software Market

Deal Spotlight

Corente

Sold to

ORACLE®

Sector: Virtualization
Target: Corente
Acquirer: Oracle
Transaction Value: Undisclosed

- Cloud-based datacenter WAN virtualization and automation software.
- Delivers a portfolio for cloud deployments with SDN offerings that virtualize enterprise data center LAN and WAN.
- Follow-on to Acme Packet purchase.

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Infrastructure Software Market

Deal Spotlight

SHUNRA

Sold to



Sector: Virtualization
Target: Shunra Software
Acquirer: Hewlett-Packard
Transaction Value: Undisclosed

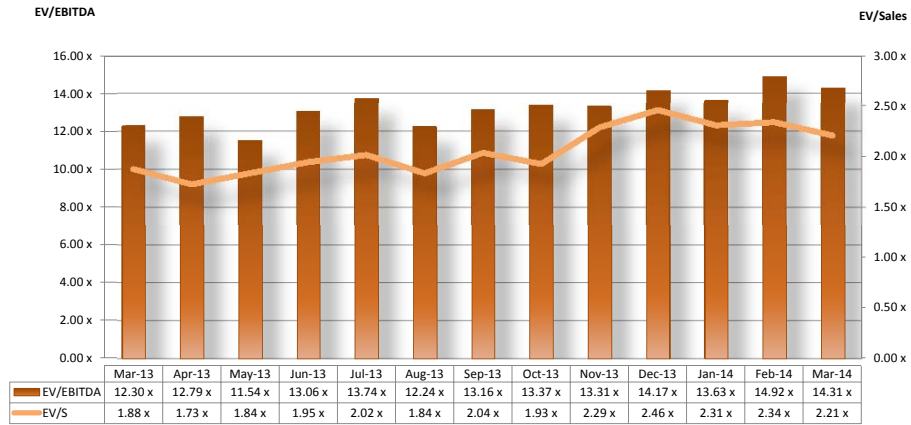
- Network virtualization and application performance management software, SaaS and services assets.
- Bolsters mobile capabilities and expands SaaS portfolio within Application Delivery Management business.

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Internet Market

Public Valuation Multiples



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Internet Valuations

Subsector		Sales	EBITDA	Examples		
Internet Infrastructure	↑	2.08x	11.31x	inuvo	Akamai	JUNIPER NETWORKS
Internet Pure Play	↑	3.05x	14.91x	amazon.com	Google	priceline <small>Name Your Own Price™</small>

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Internet Market

Deal Spotlight

EV/EBITDA

EV/Sales



BANNERCONNECT



WPP

Sector: Digital Advertising
Target: Bannerconnect [Holland]
Acquirer: WPP [UK]
Transaction Value: Undisclosed

- Digital advertising exchange and IT infrastructure services.
- Expect WPP to continue or expand recent pace of deals.



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Internet Market

Deal Spotlight

EV/EBITDA

EV/Sales



BuyerZone



techmedia
NETWORK

Sector: Retail
Target: BuyerZone.com
Acquirer: TechMediaNetwork
Transaction Value: Undisclosed

- Marketplace providing a variety of product and services, as well as lead generation and marketing services.
- Over one million registered buyers and more than 8,500 sellers across 150-plus product and service categories.



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Internet Market

Deal Spotlight



BRANDSCREEN



ZENOVIA
ONLINE EXCHANGE

Sector: Online Advertising
Target: Brandscreen Holdings [Australia]
Acquirer: Zenovia Exchange Corporation
Transaction Value: Undisclosed

- Real time bidding ad network and digital ad trading desk.
- Gives buyers direct access to Zenovia's first-to-market guaranteed in-view global marketplace and anti-fraud filtering.



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Internet Market

Deal Spotlight



PhiSix
FASHION LABS



ebay
ONLINE EXCHANGE

Sector: Retail
Target: PhiSix Fashion Labs
Acquirer: eBay, Inc.
Transaction Value: Undisclosed

- Apparel visualization software creates 3D images, simulates fit with a virtual "try on" of clothing.



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Internet Market

Deal Spotlight



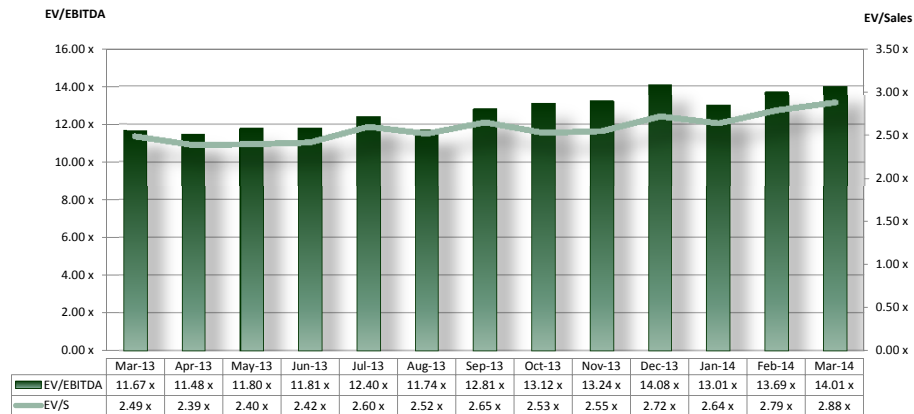
Sector: SCM
Target: Multiship [Russia]
Acquirer: Yandex [Russia]
Transaction Value: \$1 million

- Online logistics and shipping services aggregation service for online retailers.
- Delivery to more than 40,000 cities and towns across Russia and offers more than 2,000 collection points.



Vertical Application Software Market

Public Valuation Multiples





Vertical Application Software Valuations

Subsector		Sales	EBITDA	Examples		
A/E/C	↓	3.23x	14.26x	AUTODESK	PTC	DASSAULT SYSTEMES
Government	↑	1.17x	8.69x	LOCKHEED MARTIN	i3 communications	HARRIS
Healthcare	↑	4.64x	25.02x	Cerner	McKESSON	Allscripts
Financial Services	↓	3.92x	14.20x	ADVENT Software	ACI payment systems	fiserv.
Energy & Environment	↑	2.92x	11.02x	Iron	IHS	Schlumberger
Vertical Other	—	1.83x	14.14x	Rockwell Automation	Sensata Technologies	epiq systems

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Vertical Application Software Market

Deal Spotlight



TravelClick™

Sold to

THOMA BRAVO

Sector: Travel
 Target: TravelClick
 Acquirer: Thoma Bravo
 Transaction Value: \$930 million

- Cloud-based online booking, reservations management, property marketing and business intelligence reporting SaaS.
- Second vertically focused SaaS acquisition in the past month.

EV/Sales

EV/Sales

1.50 x
 1.00 x
 0.50 x
 0.00 x
 0.50 x
 1.00 x
 0.50 x
 0.00 x

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Vertical Application Software Market

Deal Spotlight



Sold to

HELLMAN & FRIEDMAN

Sector: Education
Target: Renaissance Learning, Inc.
Acquirer: Hellman & Friedman
Transaction Value: \$1.1 billion

- Collaborative learning, math and reading student assessment and progress monitoring software, teacher training and school improvement software.
- Increasingly digital classroom accelerated ability to capture data that helps teachers understand what a student knows and is ready to learn next.



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Vertical Application Software Market

Deal Spotlight



Sold to



Sector: Online Exchanges
Target: QA Studio, Inc.
Acquirer: Dairy.com
Transaction Value: Undisclosed

- Manufacturing process food traceability and lab information management quality assurance software.
- Nearly 50 dairy plants across the industry use QA Studio from the point of raw milk intake through creation of finished goods.



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Vertical Application Software Market

Deal Spotlight

BEONTRA

Sold to

LOCKHEED MARTIN

Sector: A/E/C
Target: BEONTRA AG [Germany]
Acquirer: Lockheed Martin Corporation
Transaction Value: Undisclosed

- Air traffic control planning, forecasting and airport operations management software.
- More than 40 airport operator customers across five continents.



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Vertical Application Software Market

Deal Spotlight

the echonest

Sold to

Spotify

Sector: Online Advertising
Target: Echo Nest
Acquirer: Spotify AB [Sweden]
Transaction Value: \$100 million

- Digital music content recognition, personalization, recommendation and digital fingerprinting SaaS for online music service providers
- Takes Spotify's ad capabilities from rudimentary to targeted.



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Corum Research Report



Elon Gasper
Vice President,
Director of Research



Alina Soltys
Senior Analyst



Amber Stoner
Senior Analyst



Laura Duren
Analyst



Eugene Grishenki
Analyst

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Q&A

- We welcome your questions!
 - Use Q&A window on right side
 - Submit to queue at any time
 - Ask “all panelists” – see “ask” option above text-entry box

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Upcoming Conference Schedule

Selling Up Selling Out (SUSO) - Ready to go to market? During this half-day workshop, learn to prepare, position, research, value, negotiate, and execute due diligence for maximum price and structure. This is the most attended Tech M&A event ever – participants have done over \$1 trillion in transaction value.

Merge Briefing (MB) - The Merge Briefing is a 90-minute executive briefing providing a current M&A market update (trends, valuations, etc.), as well as a brief overview of the Tech M&A process: "8 Steps To An Optimal Outcome."

Apr. 16: Hamburg – SUSO	May 22: Istanbul – MB
Apr. 22: Minneapolis – SUSO	May 22: Salt Lake City – MB
Apr. 30: Memphis – MB	May 27: Richmond – MB
May 1: Nashville – MB	May 28: Raleigh – MB
May 14: San Antonio – MB	May 29: Reston – MB
May 15: Austin – MB	Jun. 10: San Francisco – MB
May 15: Vancouver – MB	Jun. 11: Sacramento – SUSO
May 16: Houston – MB	Jun. 17: Cleveland – SUSO
May 21: Copenhagen – SUSO	Jun. 17: Columbia – MB

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After the Deal – Celebration



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