



# **Global Tech M&A Monthly**

## **Sellers Panel**

**8 May 2014**

# 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.

# Agenda

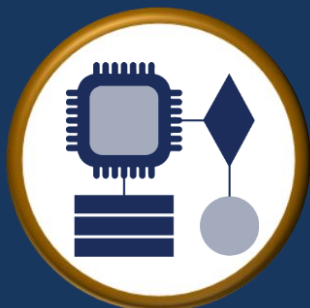
- Welcome
- Top Ten Tech Trend – Digital Force Multipliers
- Research Report
- Sellers Panel
- Closing Thoughts
- Q&A

# Top Ten Disruptive Tech Trends 2014

CREATE



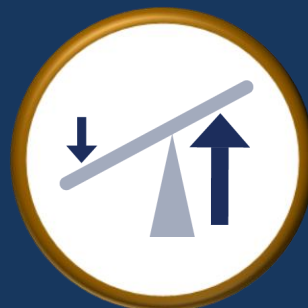
Mobilization



Enmeshed Systems



Advanced Manufacturing



Digital Force Multipliers



Information Security

CONNECT



Omni-Channel Marketing



Data-Connected Networks



Online Exchanges



Digital Currency Flow



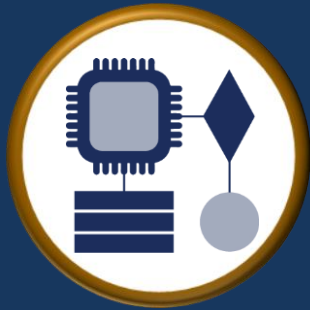
Internet of Things

# Top Ten Tech Trends 2014

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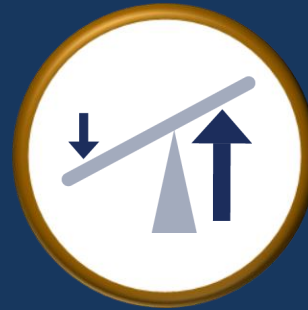
Mobilization



Enmeshed Systems



Advanced Manufacturing



Digital Force Multipliers



Information Security

CONNECT



Omni-Channel Marketing



Data-Connected Networks



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Digital Currency Flow



Internet of Things

# Top Ten Tech Trends 2014

CREATE



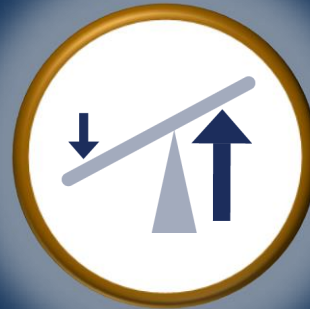
Mobilization



Enmeshed Systems



Advanced Manufacturing



Digital Force Multipliers



Information Security

CONNECT



Omni-Channel Marketing



Data-Connected Networks



Online Exchanges



Digital Currency Flow



Internet of Things

# Top Ten Tech Trends 2014

CREATE



Mobilization



Embedded Systems



Exchanges



Digital Force Multipliers



Information Security

CONNECT



Marketing



Networks



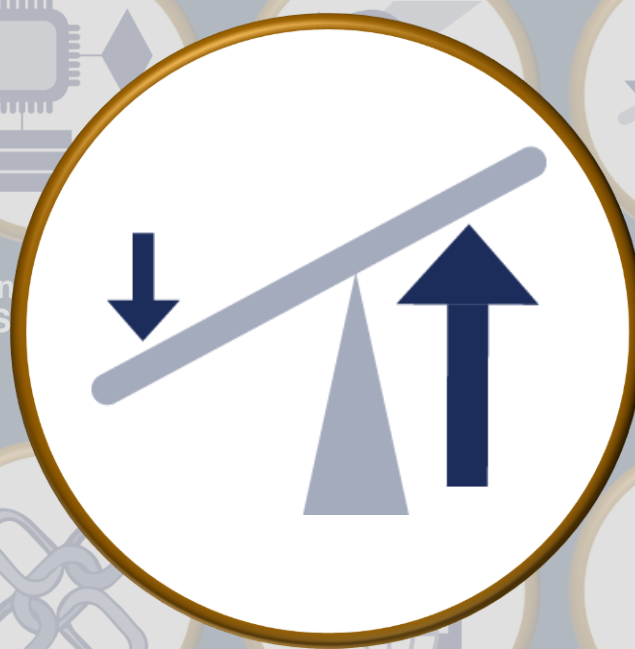
Exchanges



Flow



Things



## Digital Force Multipliers

# Top Ten Trend – Digital Force Multipliers

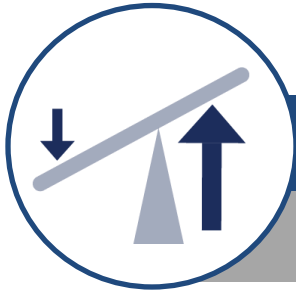


Rob Schram  
Senior Vice President  
Corum Group Ltd.

Rob has over 30 years of executive and entrepreneurial experience in multiple technologies: Integrated circuit testing, industrial process automation and control, communications software, security software, and energy software and services.

Rob has founded and sold several companies and engaged in two IPOs. He was most recently CEO of Evergreen Fuel Technologies, Inc. in the energy sector. Rob is a broadly skilled strategic development professional with a proven reputation for targeting, negotiating and developing profitable ventures and a demonstrated ability to successfully analyze an organization's critical business requirements, identify deficiencies and opportunities, and develop innovative and cost-effective solutions for enhancing competitiveness, increasing revenues, and improving customer relationships.






## Digital Force Multipliers

In-House Tools Transform Traditional Firms into Tech Firms

- Low software development costs let traditional firms build powerful in-house platforms.
- Digitally-enhanced hybrid companies get significant competitive advantages.
- Cuts out traditional dev shops, but opens M&A opportunity for traditional firms to buy their way in.




# Top Ten Trend – Digital Force Multipliers



**Chegg**<sup>®</sup>

The Student Hub<sup>SM</sup>

has acquired



**CAMPUS**  
**SPECIAL** COM

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*Corum initiated this transaction and  
acted as exclusive M&A advisor to Campus Special*

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**CORUM**  
MERGERS & ACQUISITIONS

# Corum Research Report



**Elon Gasper**  
Vice President,  
Director of Research



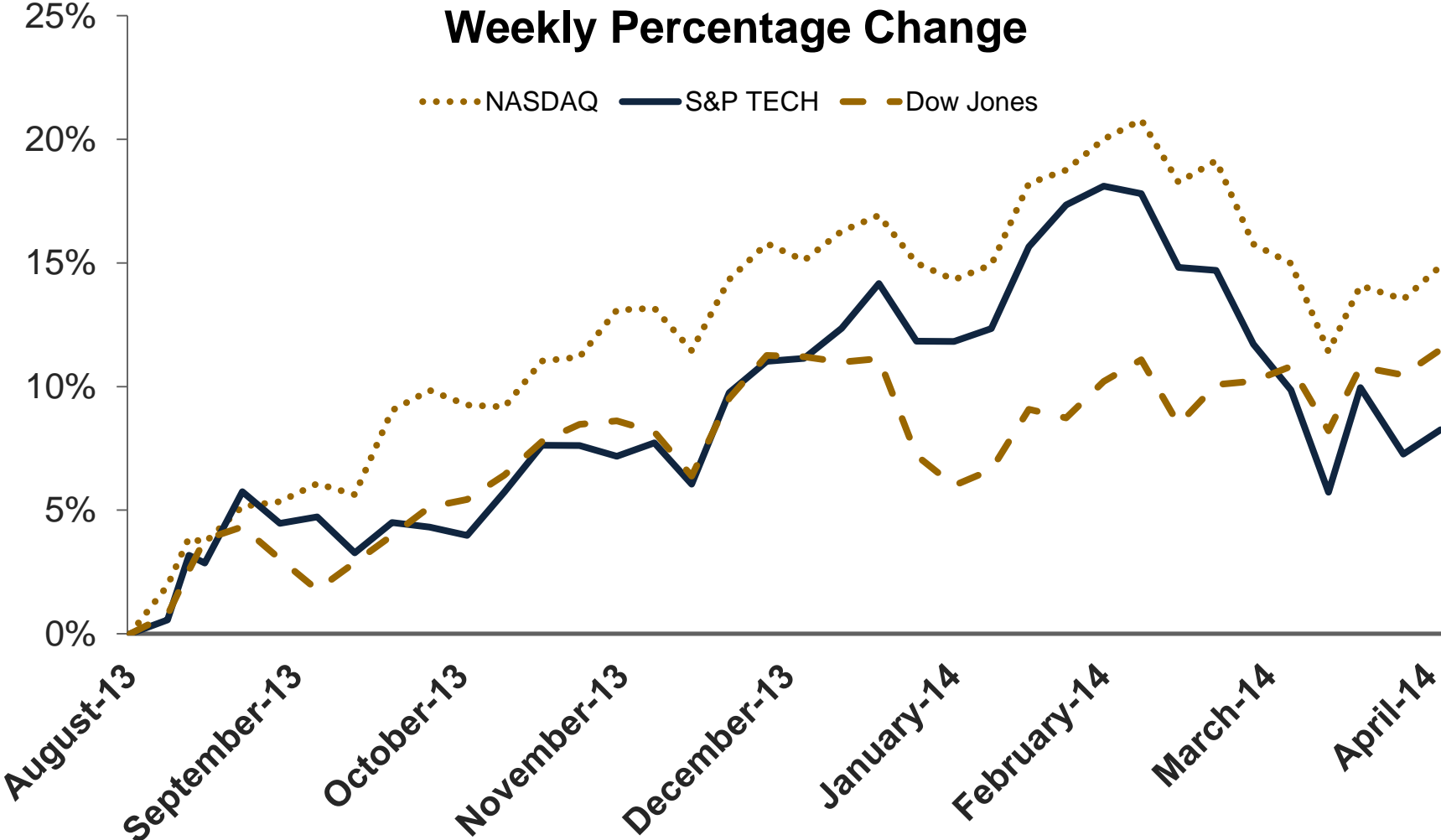
**Erin Sanchez**  
Research Analyst



**Tyler Vickers**  
Research Analyst

# Public Markets

## Weekly Percentage Change



# Corum Index

	Apr. 2013	Apr. 2014
# of Transactions	263	304
# of Mega Deals	1	3
Largest Deal	\$1.1B	\$4.5B
Private Equity Deals	11	19
# VC backed Exits	44	67
% Cross Border Transactions	34%	34%
% of Startup Acquisitions	13%	12%
Average Life of Target	15	15

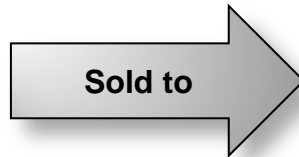
Buyer	Seller	Price
Alibaba	AutoNavi Holdings	\$1.6B
Zebra Technologies	Motorola Solutions (Enterprise Business)	\$3.5B
FNI	Djezzy	\$4.5B

# Corum Index

Buyer	Seller	Price
Alibaba	AutoNavi Holdings	\$1.6B
		\$3.5B
		\$4.5B



**AutoNavi**



**Alibaba.com**<sup>®</sup>

**Sector:** Mobility  
**Target:** AutoNavi Holdings [China]  
**Acquirer:** Alibaba Group [China]  
**Transaction Value:** \$1.58 billion

- 7.5x revenue multiple
- Digital map data and location-based software for automakers, mobile device manufacturers, government agencies and consumers in China.
- Alibaba has filed for what may be the biggest tech IPO ever.

# Corum Index

Buyer	Seller	Price
		\$1.6B
		\$3.5B
		\$4.5B



**Target:** Motorola Solutions (Enterprise Business)  
**Acquirer:** Zebra Technologies Corporation  
**Transaction Value:** \$3.45 billion

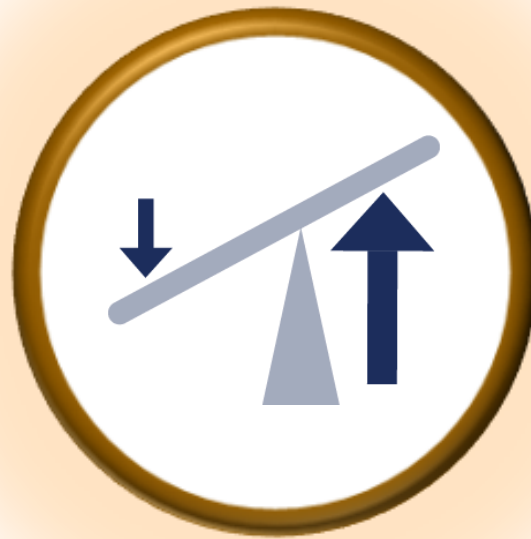
- Mobile phones, smart phones and wireless infrastructure hardware and software.



**Target:** Qualcomm Retail Solutions Unit (Gimbal, Inc.)  
**Investors Include:** Zebra Technologies Corporation, AEG  
**Transaction Value:** Undisclosed

- Qualcomm Technologies spins out Retail Solutions Unit to create stand alone company, Gimbal, that will focus solely on BLE beacon technology.

# 3 Markets: Digital Force Multipliers







# Vertical Application Software Market

## Public Valuation Multiples

Since Q1

Apr. 2014

Corum Analysis

EV  
Sales



**2.8x**

*Maintaining multi-year high.*

EV  
EBITDA



**13.8x**

*Profitable, scalable SaaS driving growth that supports value.*



# Vertical Application Software Market

## Deal Spotlight



**pixartprinting**

Sold to

**Vistaprint**

**Sector:** Design Services

**Target:** Pixartprinting [Italy]

**Acquirer:** Vistaprint [Holland]

**Transaction Value:** \$174.6 million plus earnout of up to \$13.75 million

- Services to design and order custom print products and promotional materials.
- Provides an expanded market presence.



# Vertical Application Software Market

## Deal Spotlight



Digital Force  
Multipliers

**KerstenDirect**



**LW Robbins**  
Strategic Fundraising Specialists

**Sector:** Advertising

**Target:** KerstenDirect

**Acquirer:** LW Robbins

**Transaction Value:** Undisclosed

- Fundraising-focused charity and non-profit digital advertising services, with an emphasis on mobile devices and applications for clients in the US.
- To offer direct mail strategy, email marketing, SEM/SEO, media, website design, site optimization, advanced data analytics and modeling solutions.



# Horizontal Application Software Market

## Public Valuation Multiples

Since Q1

Apr. 2014

Corum Analysis

EV  
Sales



**3.4x**

*Pulled back to Q3 levels, still highest of the six sectors.*

EV  
EBITDA



**17.5x**

*Consolidation in some sectors impacting overall value of profitable models.*



# Horizontal Application Software Market

## Deal Spotlights: ERP

CROSSKNOWLEDGE 

Sold to

 WILEY

**Target:** CrossKnowledge [France]  
**Acquirer:** John Wiley & Sons  
**Transaction Value:** \$175 million

- Cloud-based managerial, business skills and leadership training SaaS available in multiple languages.

EV



Profiles International®

Sold to

 WILEY

**Target:** Profiles International  
**Acquirer:** John Wiley & Sons  
**Transaction Value:** \$51 million

- Employee occupational and pre-hire assessment and recruiting and general HR planning and employment market intelligence SaaS.

EV

2013

CORUM



# Horizontal Application Software Market

## Deal Spotlight



**Sector:** Advertising

**Target:** Korrelate

**Acquirer:** J.D. Power & Associates

**Transaction Value:** Undisclosed

- J.D. Power's first-ever software acquisition.
- Software that correlates online advertising with offline purchases.
- Compelling value: links online shopping behaviors to actual retail sales, they can measure and enhance effectiveness of websites and ad campaigns.

3



# Infrastructure Software Market

## Public Valuation Multiples

Since Q1

Apr. 2014

Corum Analysis

EV  
Sales



**2.3x**

*Sales multiples  
keeping steady for  
nearly a year.*

EV  
EBITDA



**14.5x**

*Substantial rebound to  
two-year high, led by  
Security valuations.*



# Infrastructure Software Market

## Deal Spotlight



**M** METAFORIC™

Sold to

**inside**  
SECURE

**Sector:** Security

**Target:** Metaforic [Scotland]

**Acquirer:** INSIDE Secure [France]

**Transaction Value:** \$11.6 million

- Anti-tampering, anti-malware, transaction security and code protection software.
- Offers cross-selling opportunities with existing portfolio.



# Corum Research Report



**Elon Gasper**  
Vice President,  
Director of Research



**Erin Sanchez**  
Research Analyst



**Tyler Vickers**  
Research Analyst

# Panel Moderator



Nat Burgess  
President  
Corum Group Ltd.

Nat joined Corum in 1996 and brings a diverse background in technology M&A and law. While with the Enforcement Division of the U.S. Securities and Exchange Commission, Nat helped identify and build cases against securities fraud schemes. With the Strategic Development Division of Morgan Stanley's M&A group, Nat worked on cross-border acquisitions of U.S. and European companies by Japanese firms, and on financings by large Japanese public companies. Nat moved to Morgan Stanley's Tokyo office, where he reported directly to the President of Morgan Stanley, Japan Ltd. and focused exclusively on cross-border M&A.

After Morgan Stanley, Nat co-founded Postcard Software, a creator of advertiser-driven bilingual (English and Japanese) Internet content. At Activision, Nat led the company's on-line business development.

Nat earned an undergraduate degree in Japanese literature from Yale College and a law degree from UCLA. While in law school, Nat wrote articles for the International Forum at Yale, Tokyo Journal.

# Sellers Panel



**Javier Medina-Mora**  
**Infinix**



**Chau Nguyen**  
**Campus Special**



**Matt Van Bergen**  
**CITYTECH**

# Special Guest



Javier Medina-Mora  
Director  
Inffinix



Javier Medina-Mora is director and Chairman of Mexico City based Inffinix. He is also one of the founders and has over 35 years of experience in the Information Technology Industry.

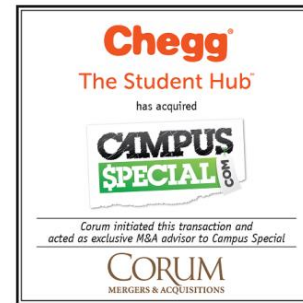
Prior to Inffinix, Javier was President of Infosistemas Financieros, a company dedicated to the development, marketing and service of software applications for a wide variety of specialties. He was also co-founder and Chairman of Informática y Tecnología, S.A.

Javier has served on several boards including Cuanda, S.A., Compusoluciones, S.A., Kamikaze, S.A. and ABC Technologies de México, S.A. He earned his Masters degree from Carnegie-Mellon University and an undergraduate degree from Universidad Anahuac.

# Special Guest



**Chau Nguyen**  
Founder and CEO  
Campus Special



Chau Nguyen is the President and CEO of Campus Special. Established in 2005, Campus Special has evolved from a print advertising company into a mobile and online SaaS platform for local merchants who are looking to reach the 18-24 year old college demographic.

Prior to launching the Company in 2005, he was hired as VP of Sales at start-up Greek Directory after he finished his internship selling ad space as its #1 seller in the country. He helped grow Greek Directory from an \$800K to \$3.5M business in five years. Chau studied Business and Marketing at the University of Oregon.

# Special Guest



Matt Van Bergen  
Co-Founder  
CITYTECH



As a co-founder and CTO/COO of CITYTECH, Inc., Matt Van Bergen is responsible for CITYTECH’s technical direction and delivery of consulting services. Matt’s 17 years of professional experience traverses all business levels – from collaborating with executives at the business strategy and technology strategy perspective, to working hands-on with enterprise software application architecture and coding. Matt has superior enterprise engineering experience and knowledge, along with a keen awareness of how technology can help business.

Prior to co-founding CITYTECH, he has held senior level management positions with a variety of businesses, from small, startup businesses to large, established organizations, including Motorola and Abbott Laboratories. Matt earned his MBA from DePaul University and holds a B.S. in electrical engineering.

# Sellers Panel



**Javier Medina-Mora**  
**Infinix**



**Chau Nguyen**  
**Campus Special**



**Matt Van Bergen**  
**CITYTECH**

# 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



# More Questions?

The screenshot shows a Yabby interview page. At the top, the Yabby logo is on the left, and navigation links for TOPICS, COLLECTIONS, LEADERBOARD, and ABOUT are in the center. A 'JOIN' button is on the right. The main content area features a large video thumbnail of a man speaking into a microphone. Below the video, a text overlay reads: "I've sold over 100 tech companies in over 15 countries". Below this, there is a profile card for Nat Burgess, including a profile picture, name, a 'COLLECT' button, and a bio. To the right of the profile card is an orange 'Ask a Question' button. Below the bio, there are social media sharing icons for Facebook, Twitter, LinkedIn, and SoundCloud. To the right of the profile card, under the heading 'INTERVIEW STATS', there are four statistics: 3 questions, 3 answers, 0 comments, and 653 views.

**Yabby** TOPICS COLLECTIONS LEADERBOARD ABOUT [JOIN](#)

I've sold over 100 tech companies in over 15 countries

**NatBurgess** [COLLECT](#)

Nat Burgess here! I am President of Corum Group, a mergers and acquisitions advisory group, and an active angel investor.

My first job after graduating from Yale was as a galley slave in Morgan Stanley's M&A analyst program. I worked on deals in New York and then transferred to Tokyo, where I...

[show more](#)

[Ask a Question](#)

INTERVIEW STATS

- 3 questions
- 3 answers
- 0 comments
- 653 views

<http://yabb.ly/DgAkrB>

# 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.”

May 14: **San Antonio** – MB

May 15: **Austin** – MB

May 15: **Vancouver** – MB

May 16: **Houston** – MB

May 20: **Bellevue** – SUSO

May 22: **Istanbul** – MB

May 27: **Raleigh** – MB

May 28: **Richmond** – MB

May 29: **Reston** – MB

Jun. 5: **Costa Rica** – MB

Jun. 10: **Bogota** – MB

Jun. 10: **San Francisco** – MB

Jun. 11: **Sacramento** – SUSO

Jun. 17: **Cleveland** – SUSO

Jun. 17: **Columbia** – MB

Jun. 19: **New Orleans** – MB

Jun. 26: **Atlanta** – MB

Jul. 1: **St. Louis** – SUSO

[www.CorumGroup.com/Events](http://www.CorumGroup.com/Events)

CORUM



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