



Tech M&A Monthly

Quarterly Report: Q1 2016

14 April 2016

Welcome



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
- Special Reports
 - WFS: Silicon Valley & Vancouver BC
 - Connected Car Market Spotlight
 - Patent Market Spotlight
 - Mobile Messaging Market Spotlight
- 2016 Q1 Research Report
- Q&A

World Financial Symposiums

WFS EDUCATING
TECHNOLOGY
LEADERS

Silicon Valley



Peri Pierone
Vice President
Corum Group Ltd.



Morgan Stanley



World Financial Symposiums

WFS EDUCATING
TECHNOLOGY
LEADERS

Vancouver, BC



Dave Levine
Vice President
Corum Group Ltd.



YALETOWN



Connected Cars Market Spotlight



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.

Connected Car Panelists



Bryan Trussel
CEO



Eric Bantegnie
Senior Vice President



Steve Banfield
Chief Marketing Officer



Gabriel Nave
Director of Business Development



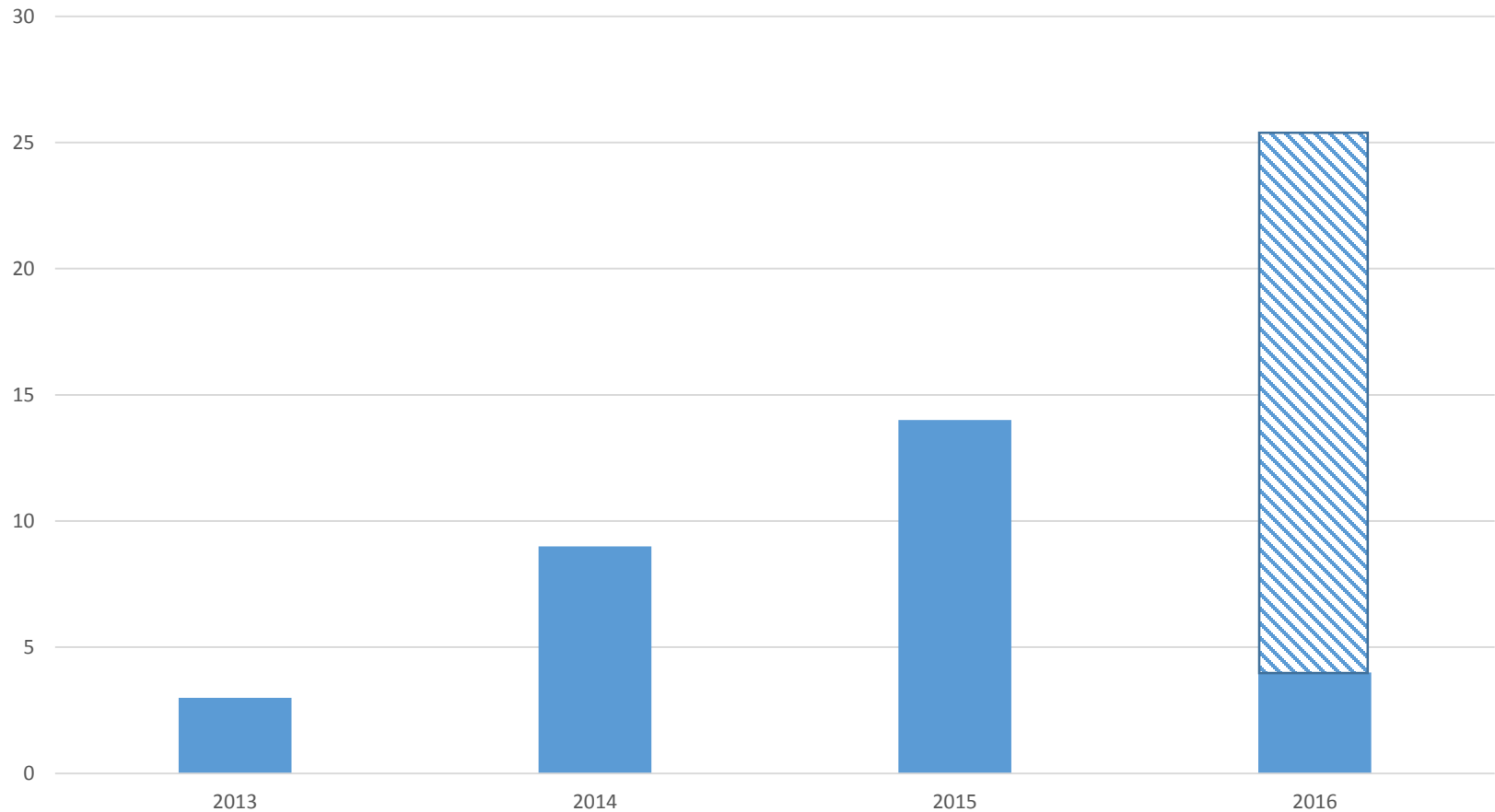
Autonomous vehicles: Overhyped? Or Imminent?



What is the future of OEM and aftermarket tech in the era of the connected car?



Total Deal Count (2013-2016)



Patents Market Spotlight



Elon Gasper
Vice President,
Director of Research
Corum Group Ltd.

Elon Gasper founded pioneering animation and speech software company Bright Star Technology in the 1980s. With Corum's assistance he closed venture funding, expanded and then sold Bright Star to a public company in the early 90s. He holds 9 patents for his software innovations and was a finalist for the Fleugelman, the only personal achievement award given by the Software Publishers Association.

After Bright Star, Elon went on to drive development, business and marketing strategies in a variety of companies and roles, including Chief Technologist in entertainment giant Vivendi Universal's Sierra Online division; Senior VP at VizX Labs, a pioneering SaaS business delivering DNA analysis tools to scientists; and participant in a number of other start-ups, notably in the medical device, geoweb and telecommunications spaces. His background also includes faculty, staff and other positions at UCLA, Cal State, and currently University of Washington, where he has appointment as Entrepreneur-in-Residence at UWBTEC; systems programming at a Fortune 500 company's Advanced Technology Center; and biomedical research.

Elon also chairs the World Technology Council, whose members include a number of former Corum clients. He earned his MS in Computer Science and BS in Biochemistry from Michigan State University.

Examples of factors of valuation

- Purpose and Suitability
 - Defensive or offensive
 - Setting out a trail to a marketing objective
 - Inhibit competitive funding
- Extent of licensing
- Evidence of validity
- Synergy with rest of portfolio
- Structure of transaction

Legal protection of intellectual property

A) Owning a patentable technology

- Provisional application also serves to define your trade secret technology
- If already on the market for more than a year – use trademark registration protection
- Make Improvements

B) Owning a patent application in process

- Establish 3 levels of claims strategies:
 - broadest possible claim tree, mid-level claims tree, a “picture” claim
- File an RCE / CIP as technology evolves

C) Owning an issued patent

- Follow the issued patents with applications on improvements, other embodiments, additional uses and the like to build a patent portfolio

SMS Market Spotlight



Daniel Bernstein
Vice President
Corum Group Ltd.

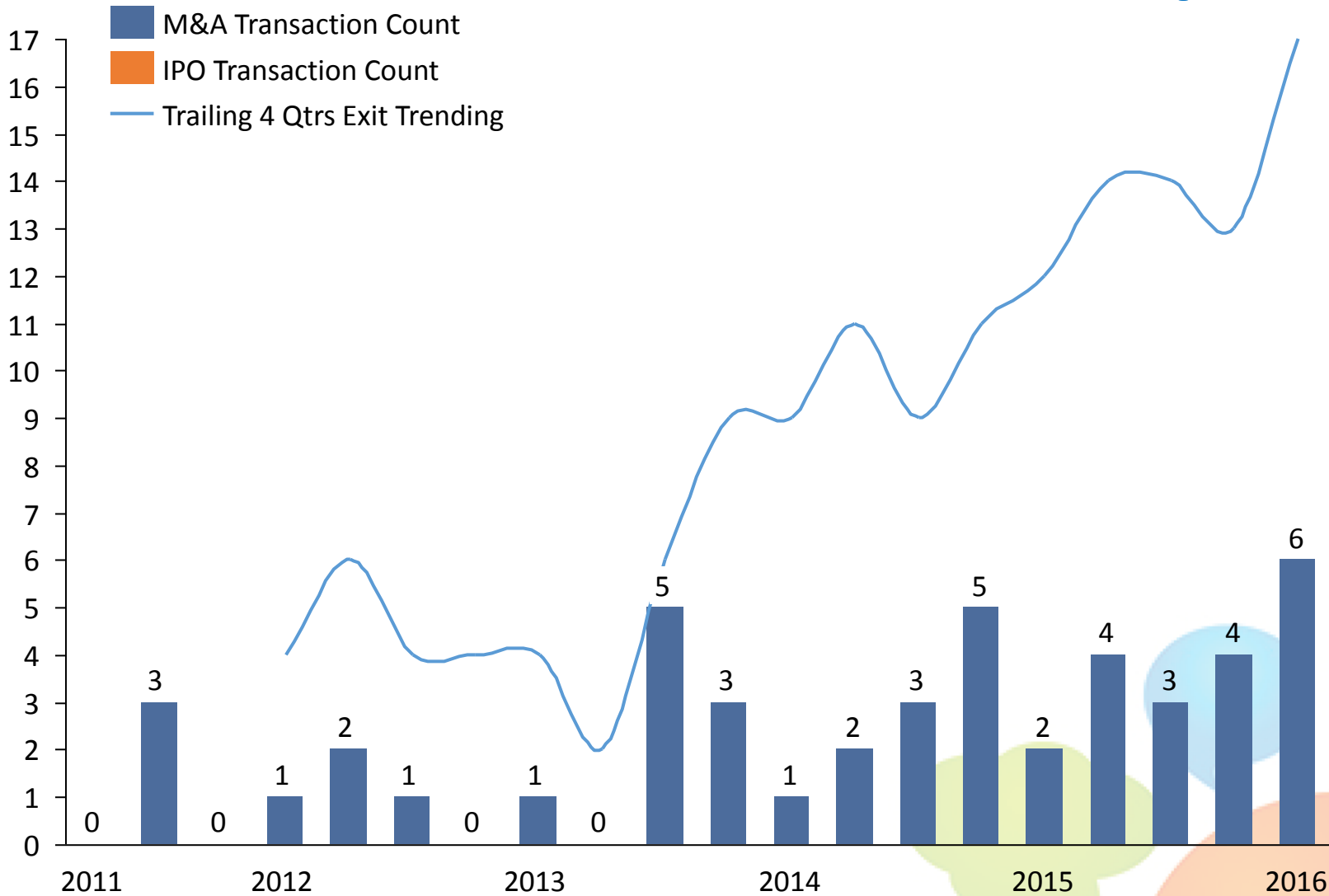
Daniel Bernstein has worked in a number of roles over a twenty year career in high technology, most recently as the founder and CEO of Sandlot Games Corporation, a leading casual games publisher and developer. Having sold Sandlot Games to Digital Chocolate in 2011, Daniel started a small games studio and a consulting practice where he advises larger companies such as RealNetworks and smaller high growth businesses on product development, strategic initiatives, and M&A opportunities.

Prior to Sandlot Games, Daniel Bernstein held director level positions in companies such as Wild Tangent and Monolith. An accomplished composer, Daniel also writes music for most of the games he works on.

Daniel holds a BS in Computer Science and an MA in Music Composition from the University of Virginia.

MARKET SPOTLIGHT

M&A & Exit Trends: SMS Companies

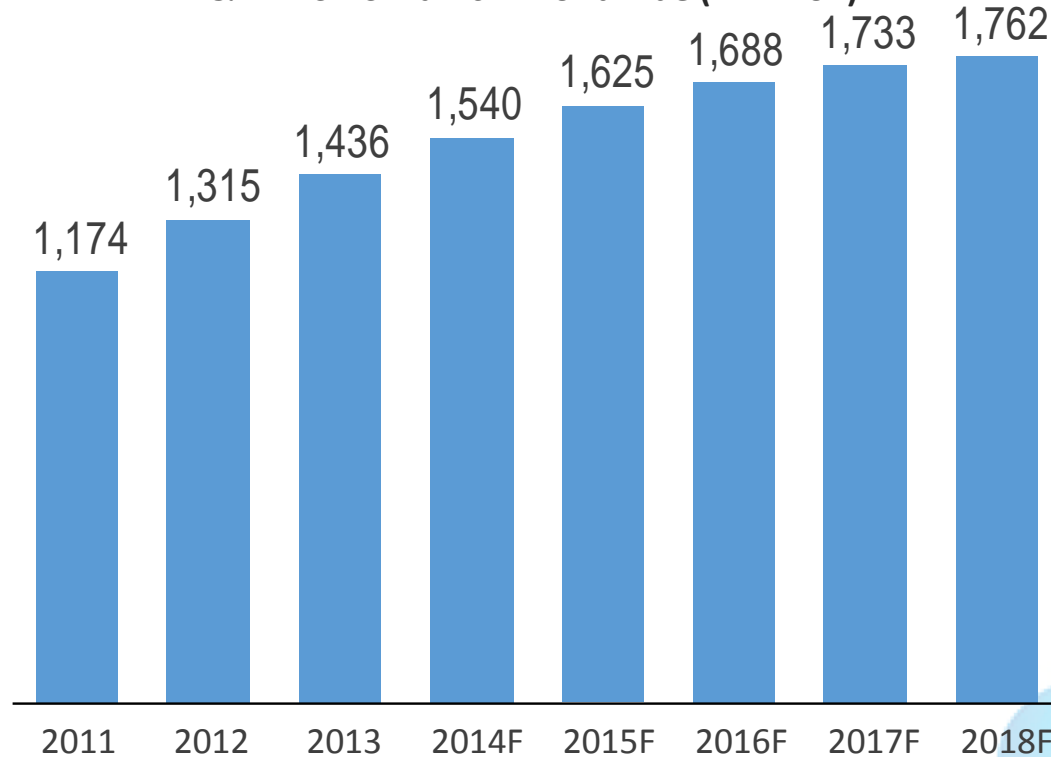


Data provided from CB Insights

MARKET SPOTLIGHT

A2P Global Market Sizing & Forecast

A2P & P2A SMS Traffic – Worldwide (in Billion)



A2P SMS Global Revenue

\$55 Billion in
2013

\$60 Billion in
2018

- P2P revenue in decline – switching to OTT
- Revenue from each OTT message is forecast to be less than 1% of that from SMS in 2019
- OTT facing struggle to monetize

MARKET SPOTLIGHT

Market Consolidation Considerations

- Reassess
 - Look for blue ocean
- Reposition
 - Maximize opportunities where others are not
- Acquire
 - Go big
- Sell
 - Join Forces

Upcoming Special Events

- April 26: Healthtech Market Spotlight

- www.wfs.com



- April 28: Is Your Buyer in Asia?

- www.corumgroup.com/securedocs



- May 24: Growth & Exits Focus – Austin

- www.wfs.com



Corum Research Report



Elon Gasper
Vice President,
Director of Research



Amber Stoner
Senior Analyst



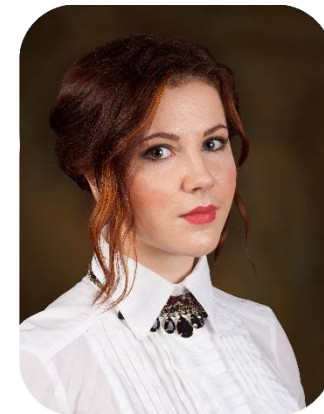
Aaron King
Analyst



Thomas Wright
Analyst



Micaela Pearson
Conference Development

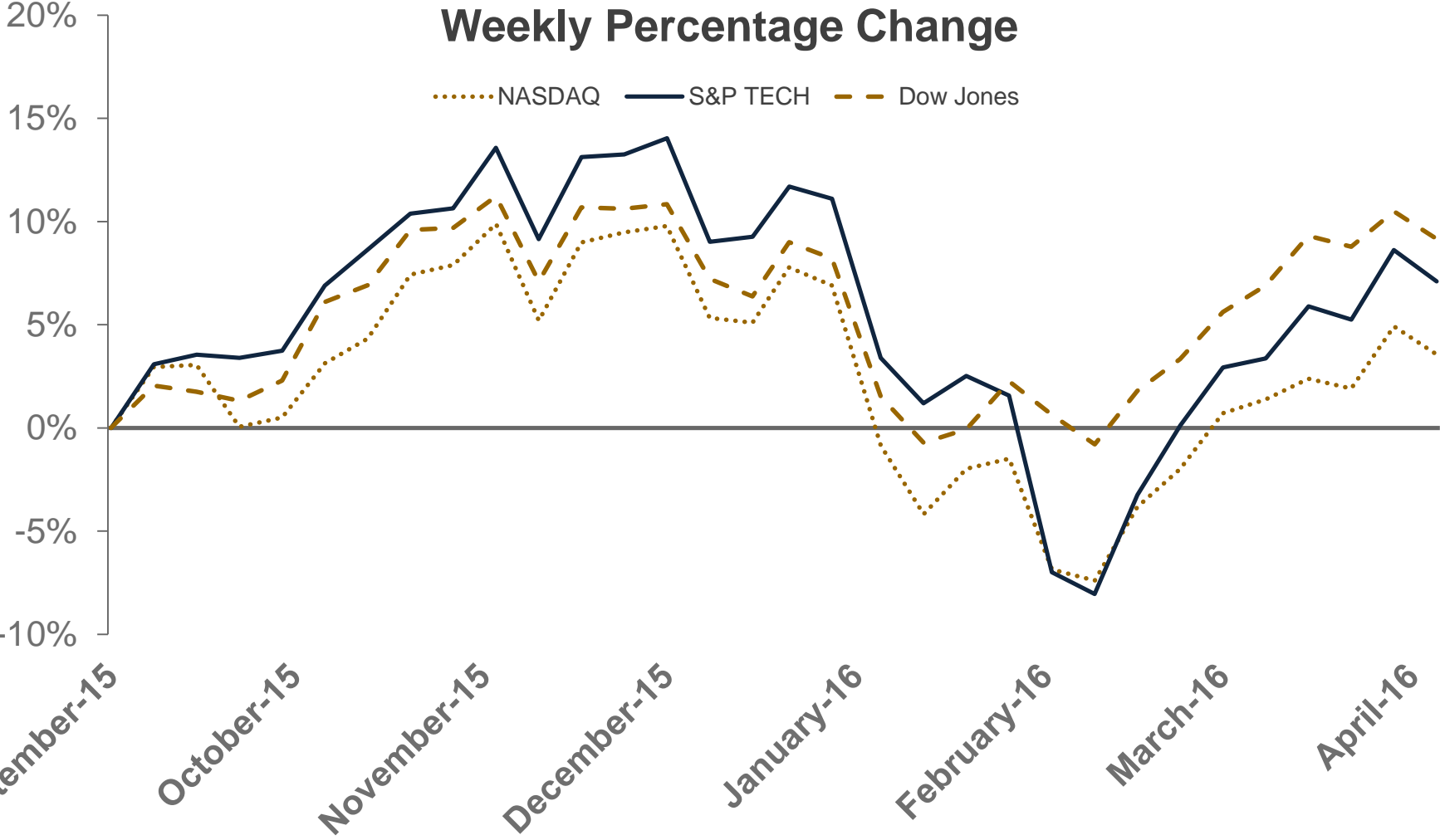


Valeriya Chumachenko
Analyst

Public Markets

Weekly Percentage Change

.....NASDAQ — S&P TECH - - - Dow Jones



Corum Index

Market

Transactions

Q1:2015

1012

Q1:2016

1026

1.4%

Mega Deals

11

17

55%

Largest Deal

\$4.8B

\$7B

46%

Pipeline

Private Equity Deals

Q1:2015

42

Q1:2016

62

48%

VC Backed Exits

159

165

3.8%

Attributes

Cross Border Transactions

Q1:2015

34%

Q1:2016

35%

2.9%

Start-Up Acquisitions

11%

11%

Average Life of Target

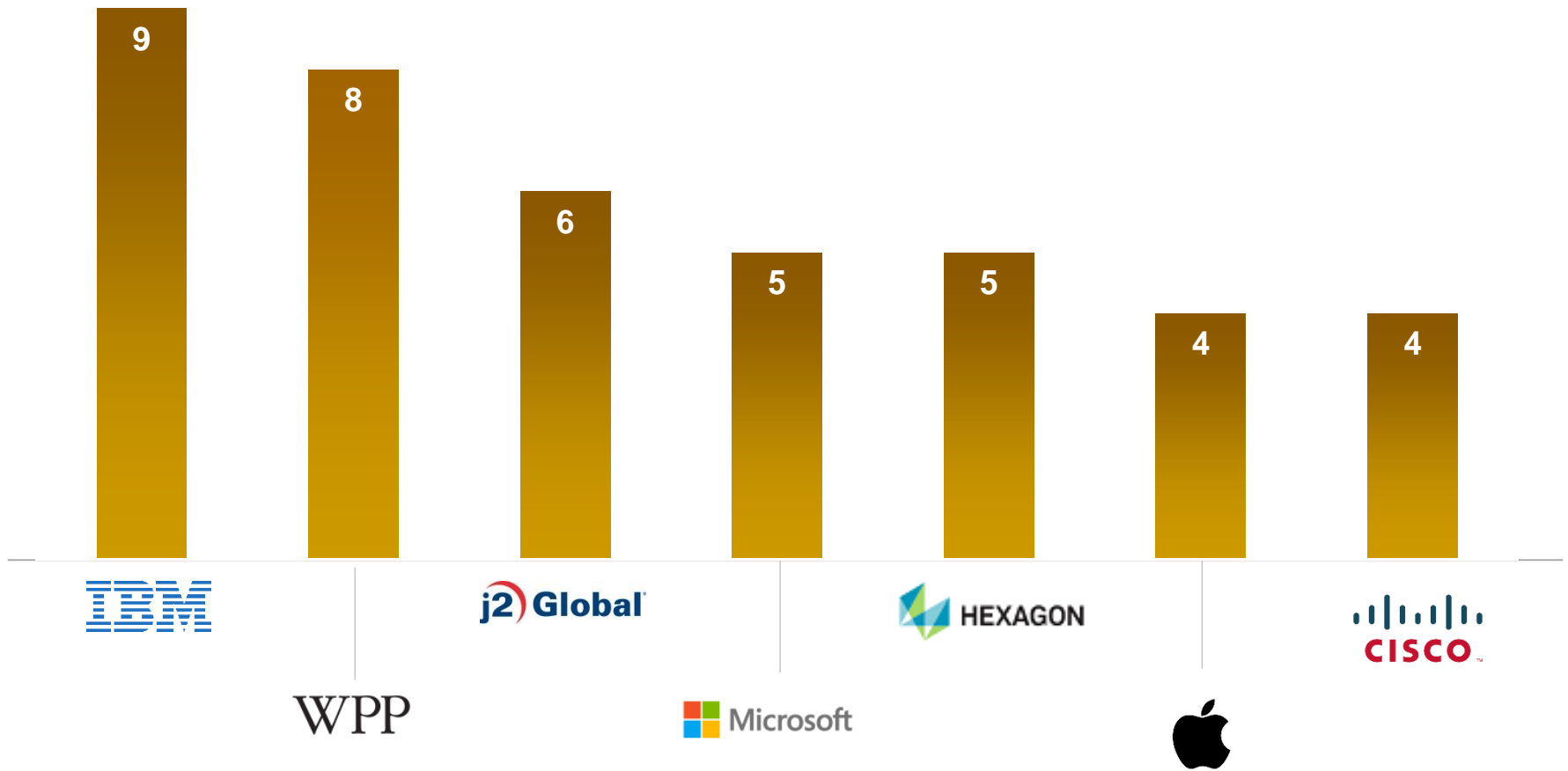
14 yrs

15 yrs

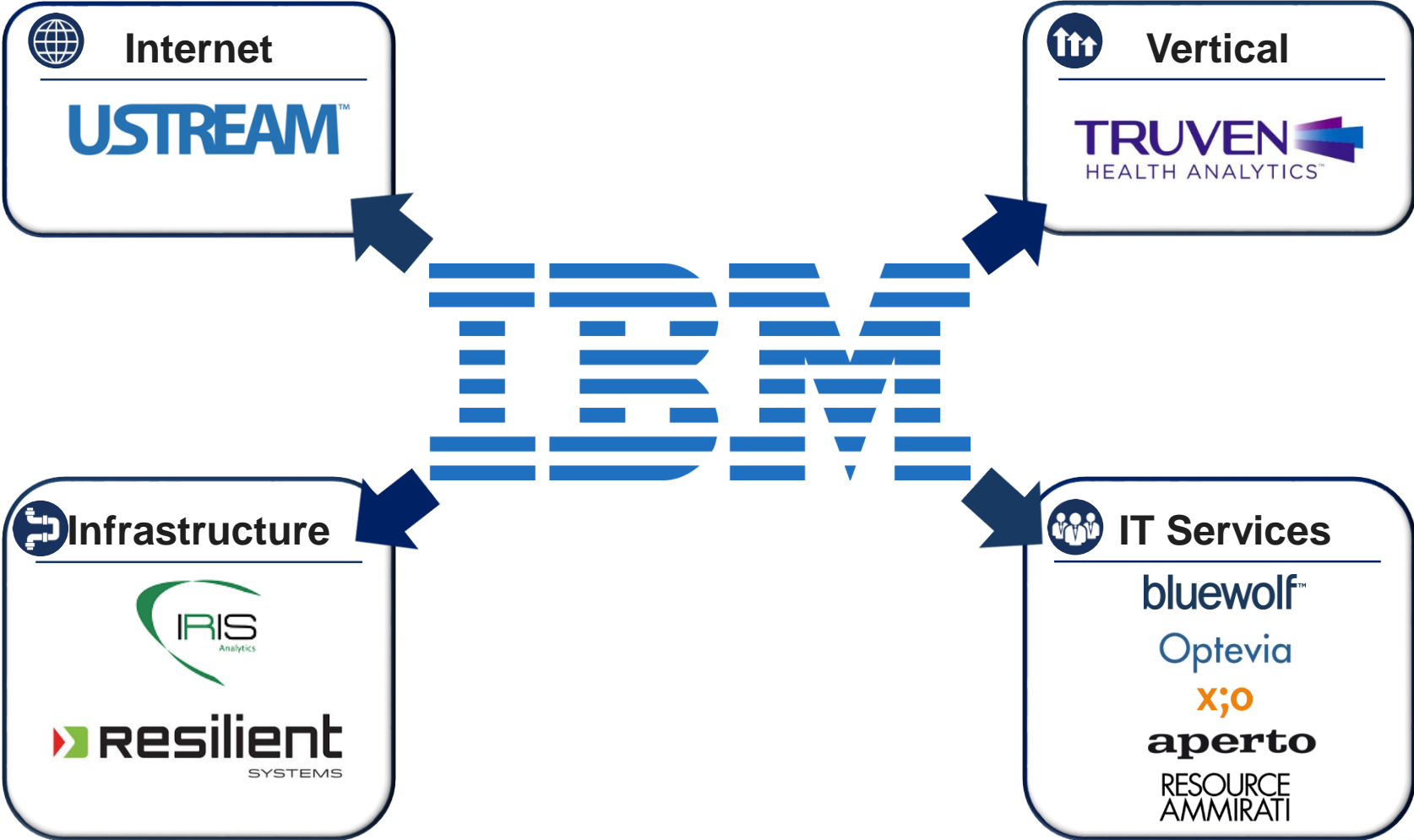
7%

CORUM

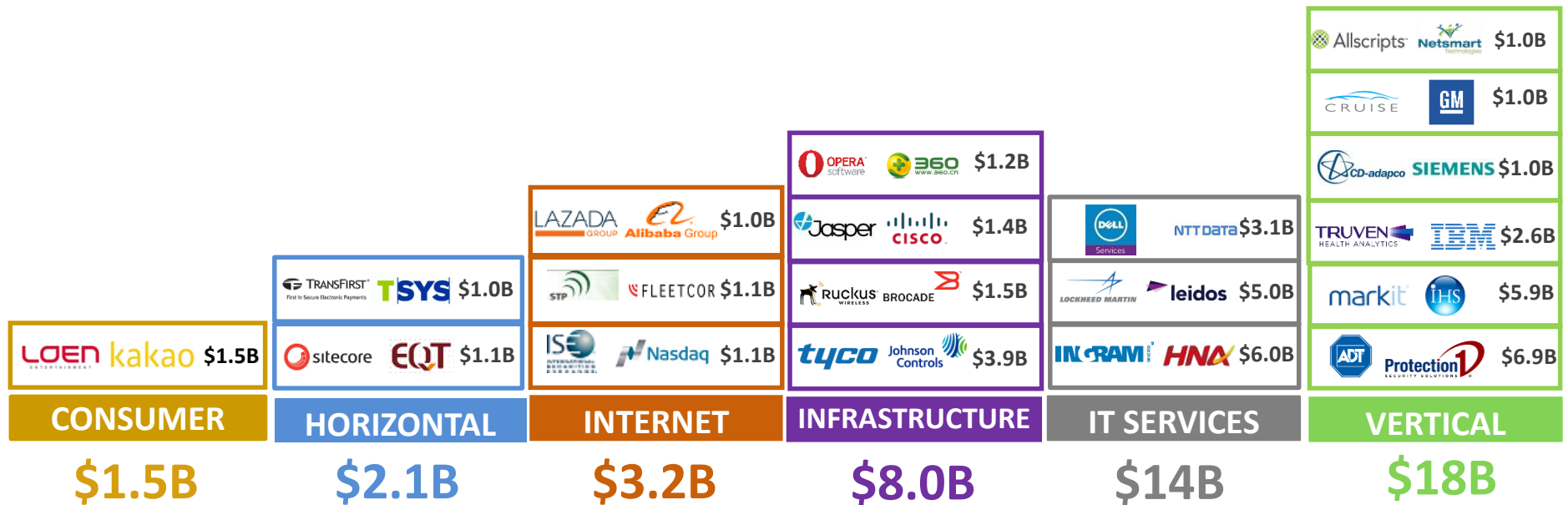
Top Strategic Acquirers – Q1 2016



IBM Q1 2016 Deals



Mega Deals - 2016 YTD



Mega Deals - 2016 YTD

LOEN
ENTERTAINMENT

Sold to

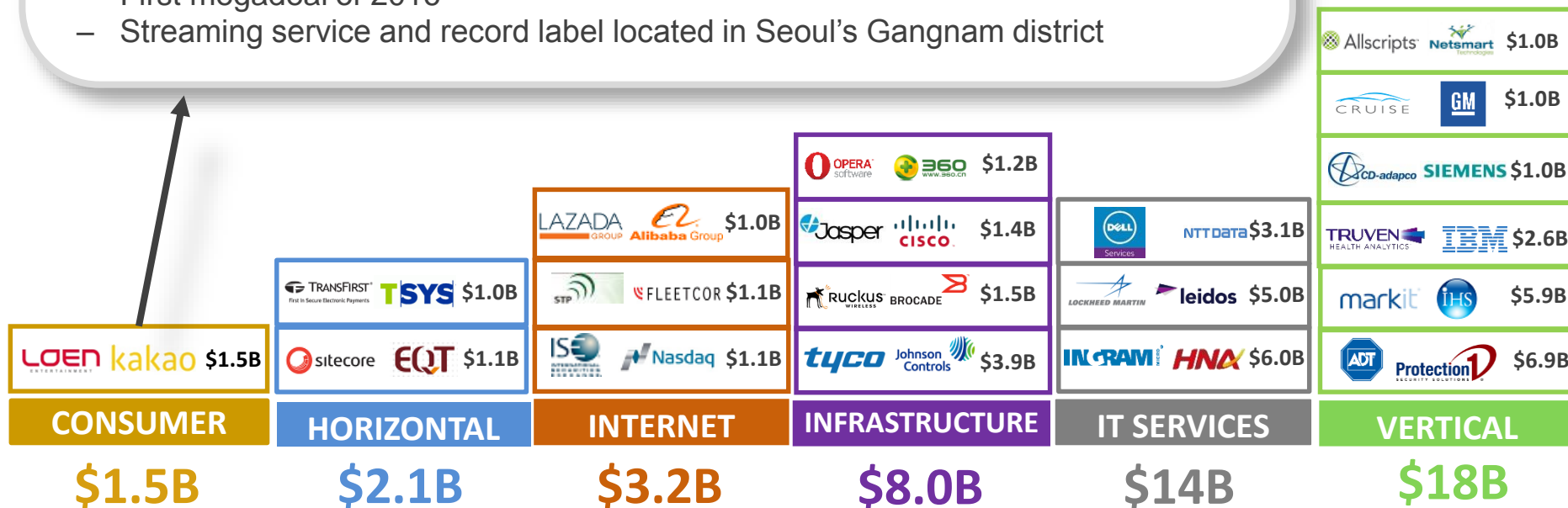
kakao

Target: Loen Entertainment [South Korea]

Acquirer: Kakao Corp. [South Korea]

Transaction Value: \$1.5B (33x revenue)

- First megadeal of 2016
- Streaming service and record label located in Seoul's Gangnam district



Mega Deals - 2016 YTD

LAZADA
GROUP



Alibaba Group

Target: Lazada Group S.A. [Singapore]
Acquirer: Alibaba Group Holding Ltd. [China]
Transaction Value: \$1.0B



LAZADA **Alibaba Group** \$1.0B

STP **FLEETCOR** \$1.1B

ISE **Nasdaq** \$1.1B

OPERA **360** \$1.2B

Jasper **CISCO** \$1.4B

Ruckus **BROCADE** \$1.5B

tyco **Johnson Controls** \$3.9B

DELL **NTT DATA** \$3.1B

LOCKHEED MARTIN **leidos** \$5.0B

INGRAM **HNA** \$6.0B

Allscripts **Netsmart** \$1.0B

CRUISE **GM** \$1.0B

CD-adapco **SIEMENS** \$1.0B

TRUVEN **HEALTH ANALYTICS** **IBM** \$2.6B

markit **IHS** \$5.9B

ADT **Protection1** \$6.9B

LOEN **kakao** \$1.5B

TRANSFIRST **TSYS** \$1.0B

sitecore **EQT** \$1.1B

CONSUMER

HORIZONTAL

INTERNET

INFRASTRUCTURE

IT SERVICES

VERTICAL

\$1.5B

\$2.1B

\$3.2B

\$8.0B

\$14B

\$18B

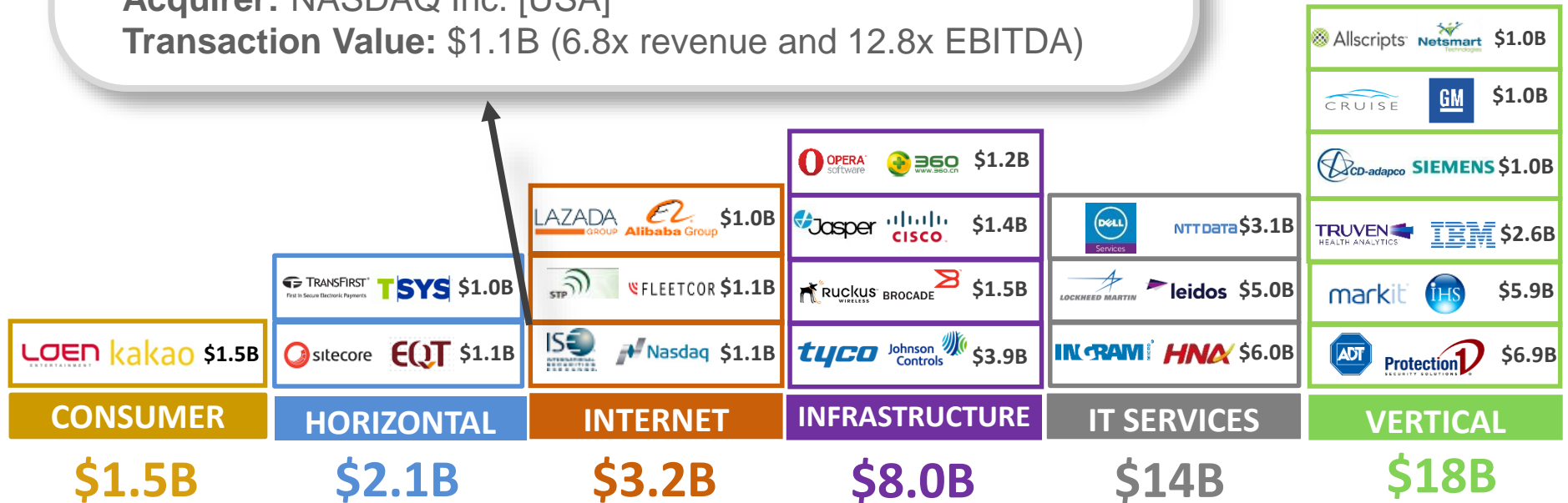
Mega Deals - 2016 YTD



Target: International Securities Exchange [USA]

Acquirer: NASDAQ Inc. [USA]

Transaction Value: \$1.1B (6.8x revenue and 12.8x EBITDA)



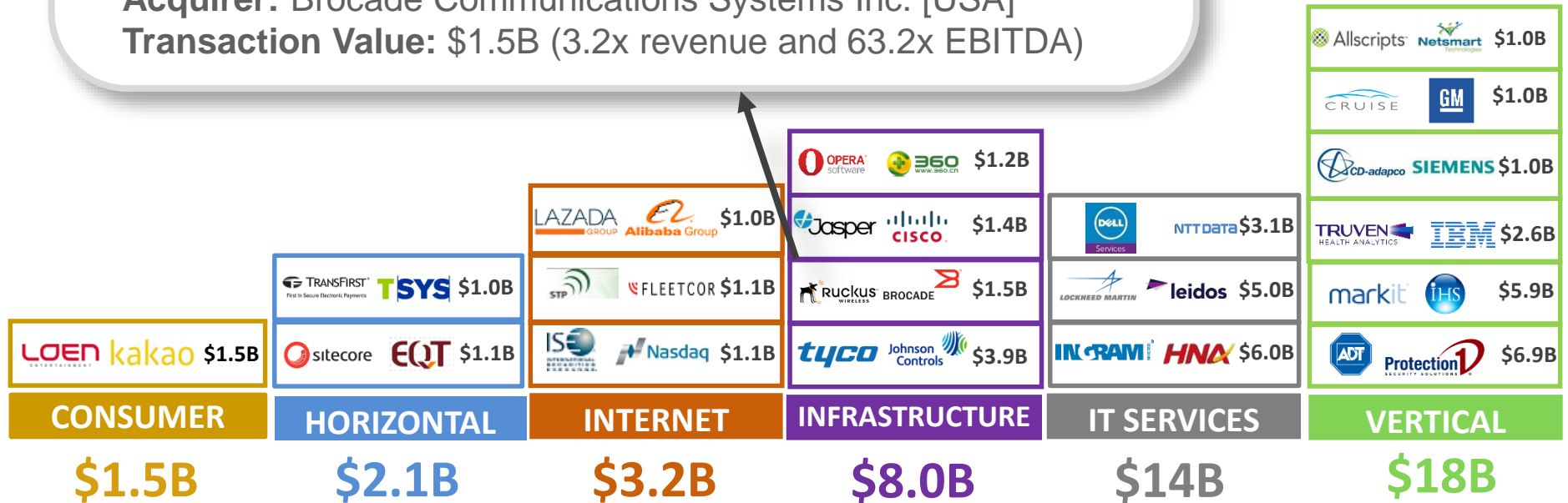
Mega Deals - 2016 YTD



Target: Ruckus Wireless Inc. [USA]

Acquirer: Brocade Communications Systems Inc. [USA]

Transaction Value: \$1.5B (3.2x revenue and 63.2x EBITDA)



Mega Deals - 2016 YTD

markit®



Target: Markit Group Ltd. [United Kingdom]

Acquirer: IHS Inc. [USA]

Transaction Value: \$5.9B (5.9x revenue and 15.6x EBITDA)

Allscripts	Netsmart	\$1.0B
CRUISE	GM	\$1.0B
CD-adapco	SIEMENS	\$1.0B
TRUVEN HEALTH ANALYTICS	IBM	\$2.6B
markit	IHS	\$5.9B
ADT	Protection1	\$6.9B

OPERA software	360	\$1.2B
LAZADA GROUP	Alibaba Group	\$1.0B
Jasper	CISCO	\$1.4B
Ruckus WIRELESS	BROCADE	\$1.5B
tyco	Johnson Controls	\$3.9B

DELL Services	NTT DATA	\$3.1B
LOCKHEED MARTIN	leidos	\$5.0B
INGRAM	HNA	\$6.0B

TRANSFIRST	TSYS	\$1.0B
sitecore	EQT	\$1.1B

STP	FLEETCOR	\$1.1B
ISE	Nasdaq	\$1.1B

LOEN	kakao	\$1.5B
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CONSUMER

HORIZONTAL

INTERNET

INFRASTRUCTURE

IT SERVICES

VERTICAL

\$1.5B

\$2.1B

\$3.2B

\$8.0B

\$14B

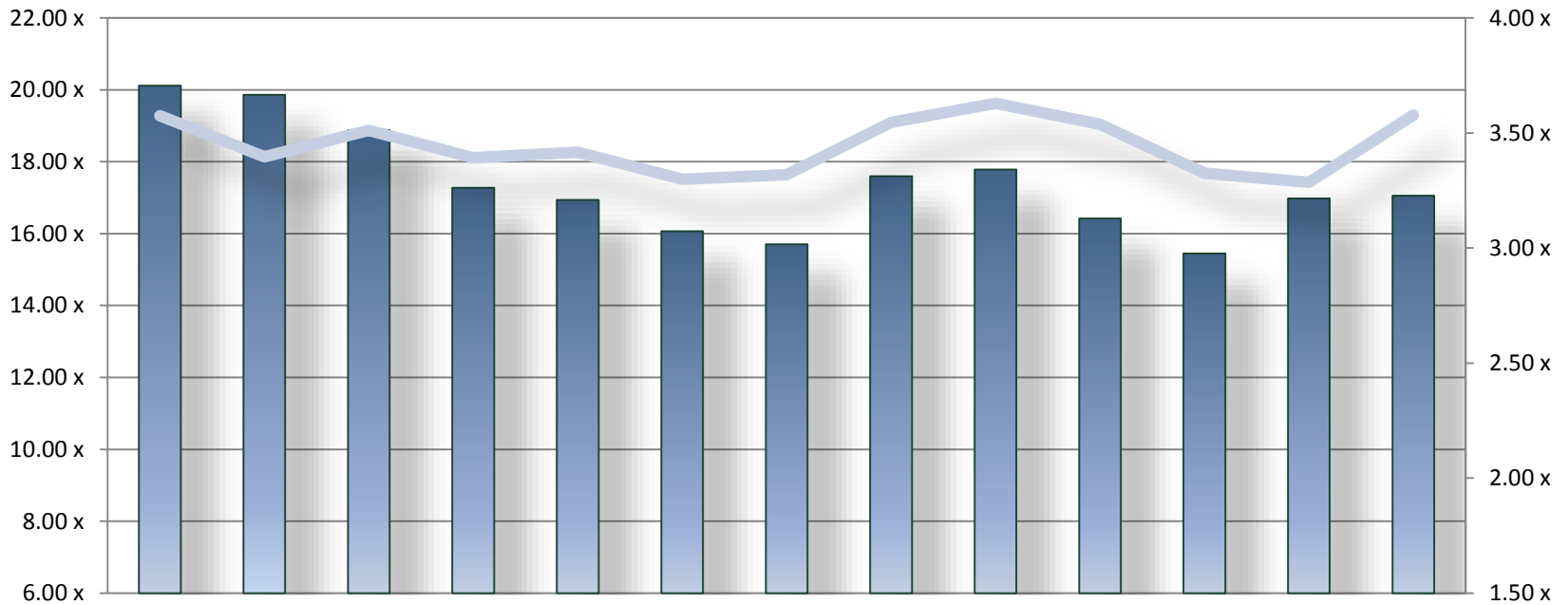
\$18B

Horizontal Application Software Market

Public Valuation Multiples

























EV/EBITDA

EV/S



	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
EV/EBITDA	20.12 x	19.86 x	18.88 x	17.28 x	16.94 x	16.07 x	15.70 x	17.60 x	17.79 x	16.42 x	15.45 x	16.98 x	17.06 x
EV/S	3.57 x	3.40 x	3.51 x	3.39 x	3.42 x	3.30 x	3.32 x	3.55 x	3.63 x	3.54 x	3.32 x	3.29 x	3.58 x

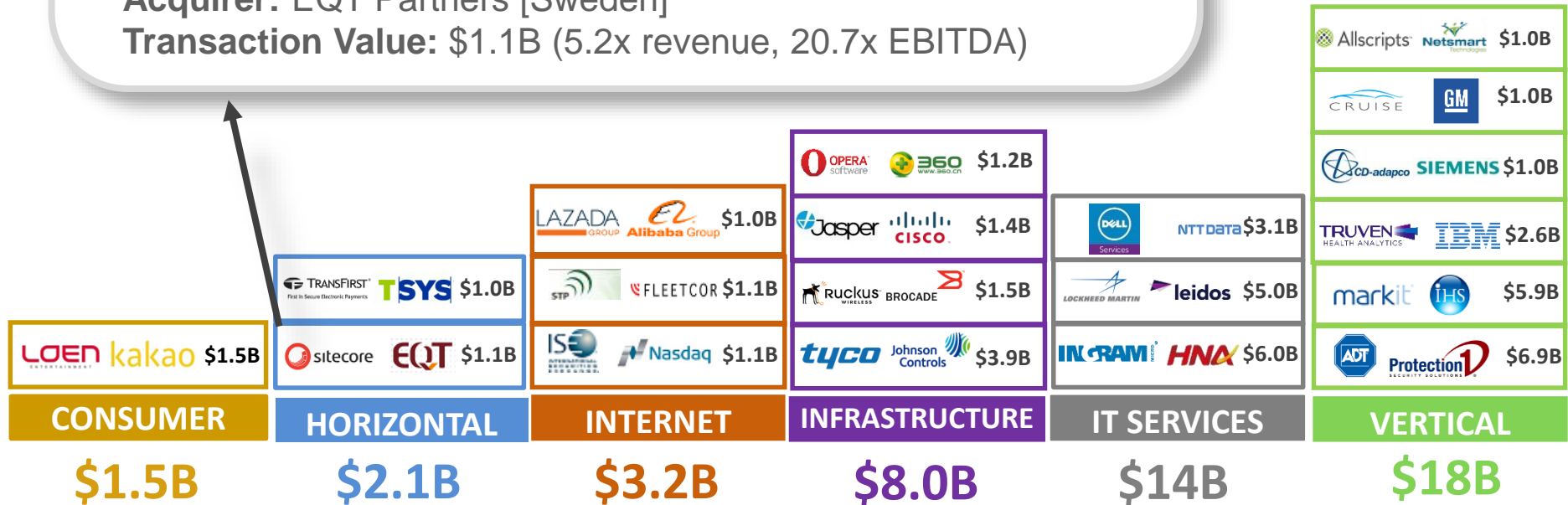
Horizontal Application Software Valuations

Subsector	Sales	EBITDA	Examples		
Business Intelligence	3.56x	15.47x			
Marketing & Ad Tech	1.84x	14.91x			
CRM	1.57x	12.68x			
ERP	2.83x	18.10x			
Human Resources	5.93x	33.34x			
SCM	6.05x	23.77x			
Payments	4.02x	16.25x			
Other	3.36x	24.40x			

Mega Deals - 2016 YTD



Target: Citecore [Denmark]
Acquirer: EQT Partners [Sweden]
Transaction Value: \$1.1B (5.2x revenue, 20.7x EBITDA)



Horizontal Application Software Market

Deal Spotlights: Research and Survey Creation



Horizontal Application Software Market

Deal Spotlights: Customer Analytics

EV/EBITDA

EV/S

22.00

4.00 x

20.00

3.50 x

18.00

3.00 x

16.00

14.00

12.00 x

2.50 x

10.00

2.00 x

8.00

1.50 x

6.00

EV/EBIT

EV/S



revee

Sold to



Target: Revee (aka Access Media Corp.) [USA]

Acquirer: Outbrain Inc. [USA]

- Customer analytics software that enables marketing professionals and publishers to measure the value of content in real-time



EFFECTIVENESS TECHNOLOGY

Sold to



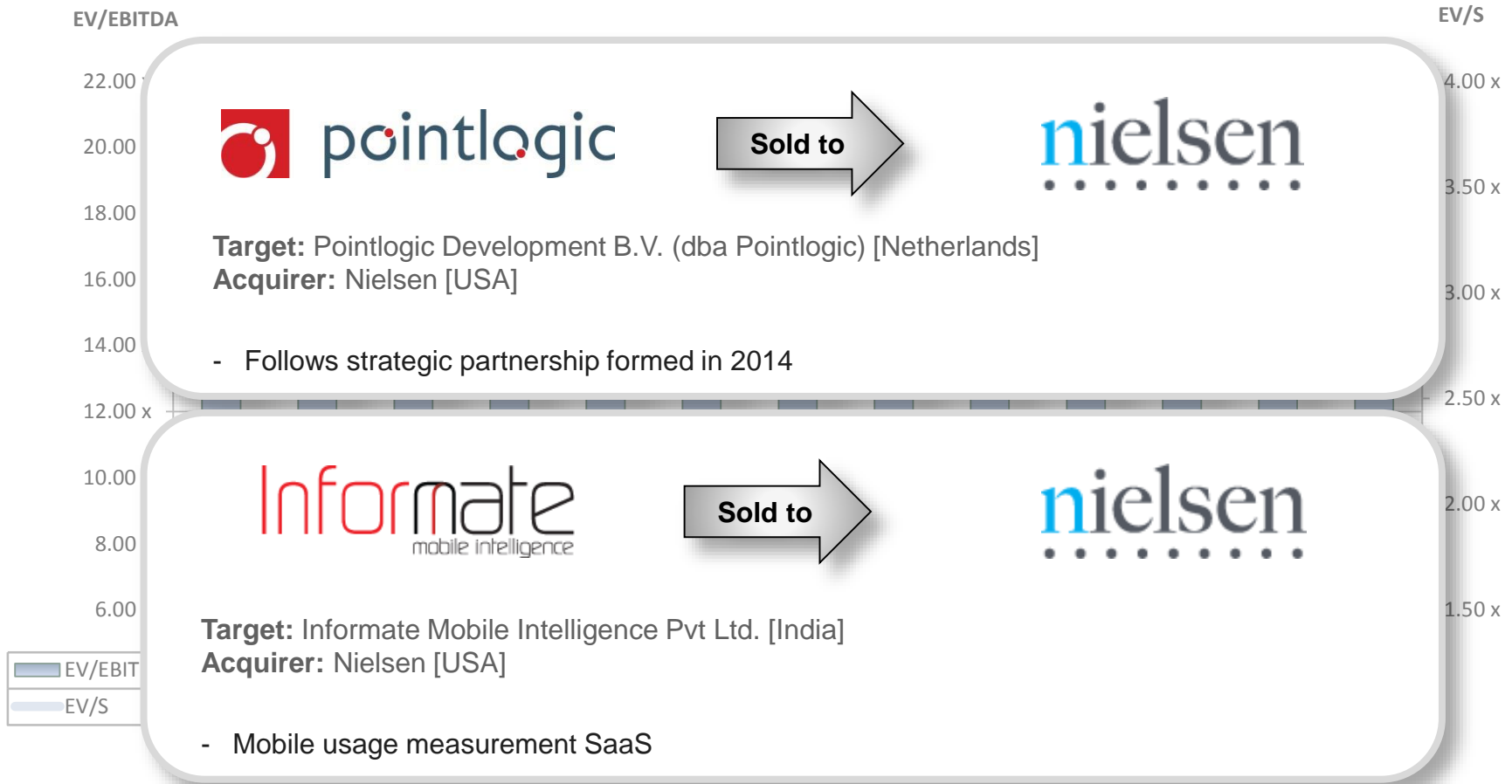
Target: marketingQED Limited [UK]

Acquirer: Scanmar BV [Netherlands]

- British UK customer analytics SaaS

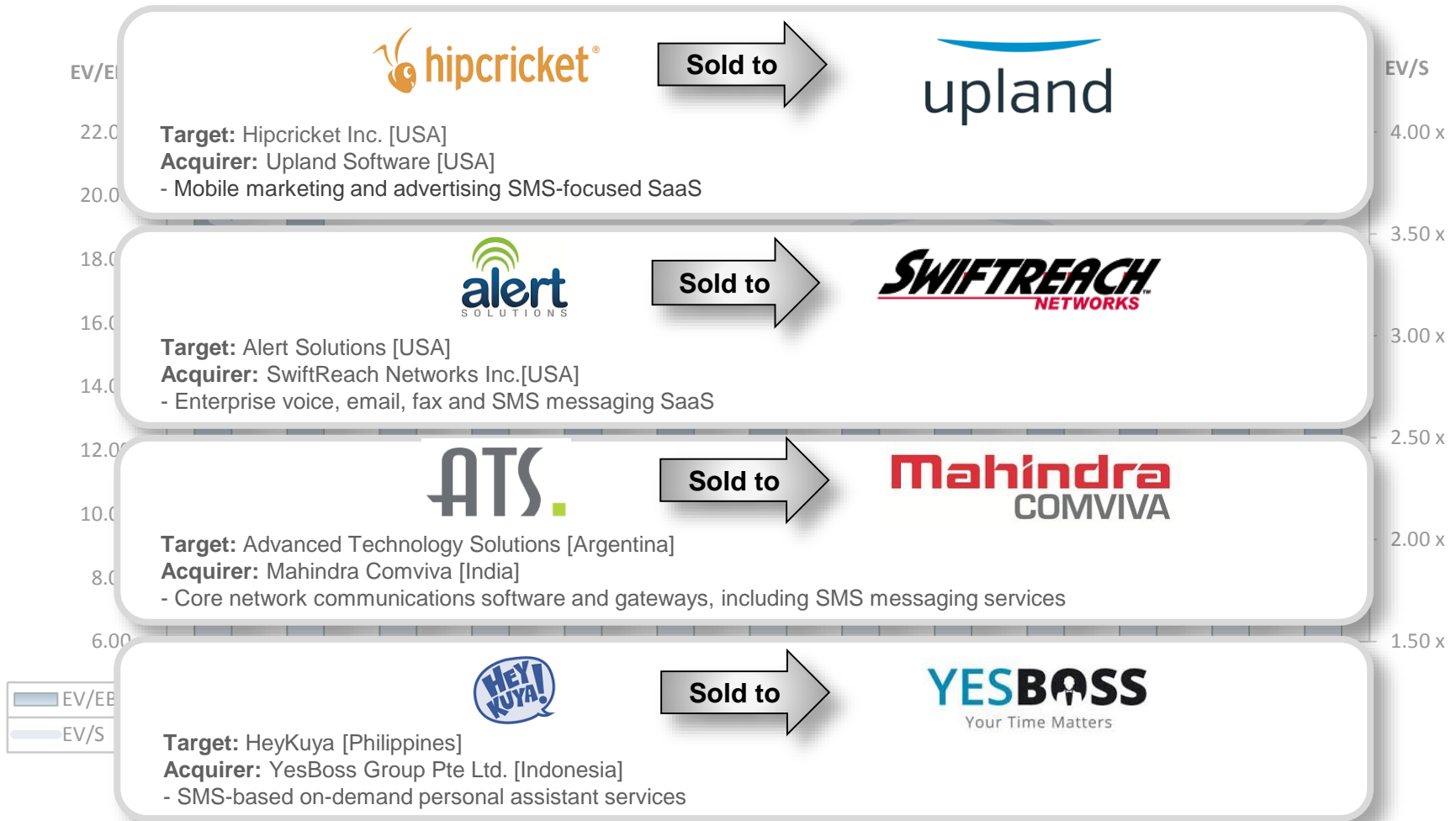
Horizontal Application Software Market

Deal Spotlights: Marketing



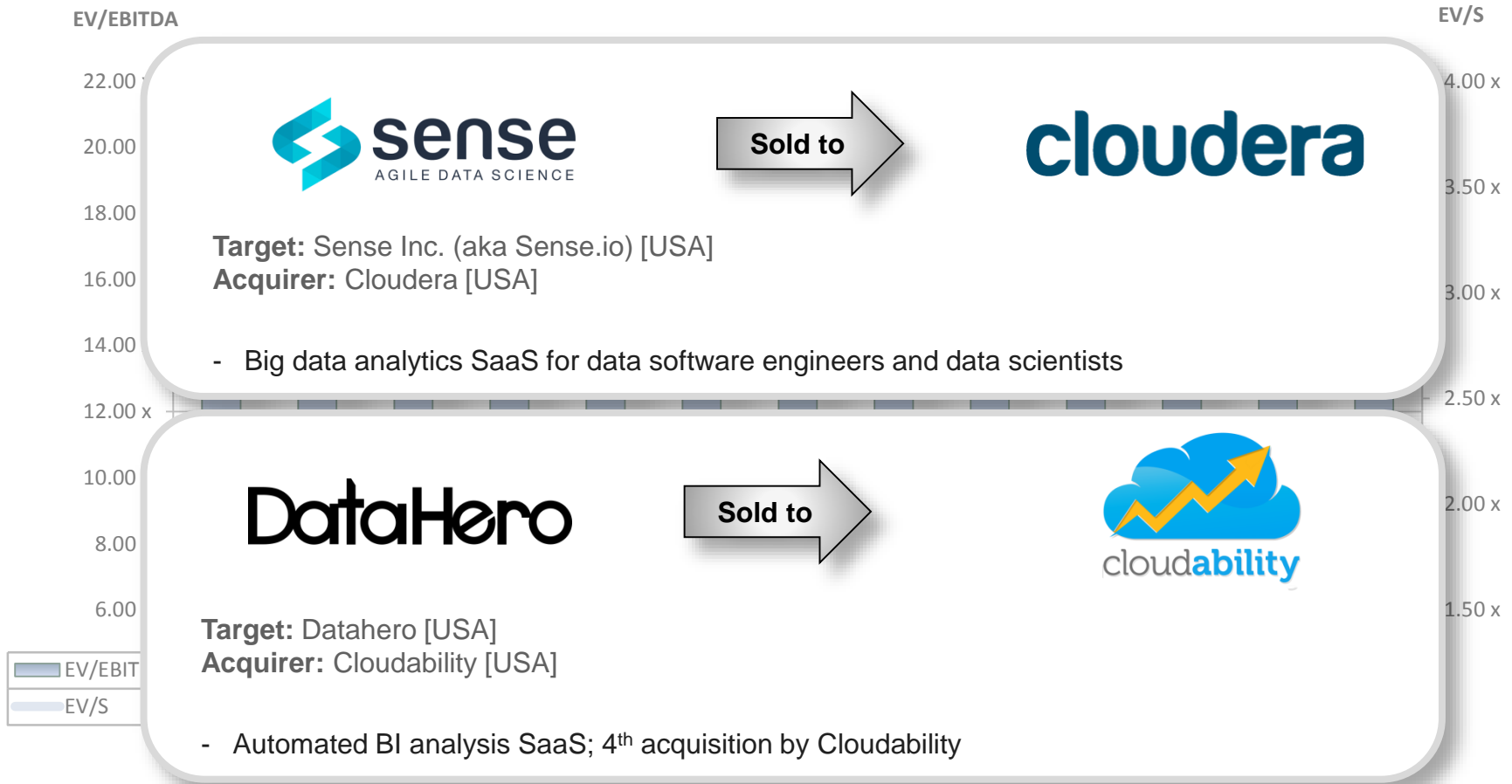
Horizontal Application Software Market

Deal Spotlights: SMS-based Software and SaaS



Horizontal Application Software Market

Deal Spotlights: BI



Horizontal Application Software Market

Deal Spotlights: HR

EV/EBITDA

EV/S

22.00

4.00 x

20.00

3.50 x

18.00

3.00 x

16.00

2.50 x

14.00

12.00

2.00 x

10.00

1.50 x

8.00

6.00

empower
SOFTWARE SOLUTIONS

Sold to

KRONOS[®]

Target: Empower Software Solutions Inc. [USA]

Acquirer: Kronos Inc. [USA]

- HR & workforce management software



Sold to

ASURE
SOFTWARE

Target: Mangrove Software [USA]

Acquirer: Asure Software Inc. [USA]

Transaction Value: \$17.5M (2.9x revenue, 22.2x EBITDA)

- Combines workforce and workspace management solutions into one product

EV/EBIT
EV/S

Horizontal Application Software Market

Deal Spotlight: HR

EV

Connectifier

Sold to

LinkedIn

IS

Target: Connectifier [USA]

Acquirer: LinkedIn [USA]

- Machine learning-based job candidate recruitment platform
- Database of 400M+ potential job candidates
- Founders formerly with Google Analytics and Google Sheets

E

EV/S

Horizontal Application Software Market

Deal Spotlights: Employee health & wellness

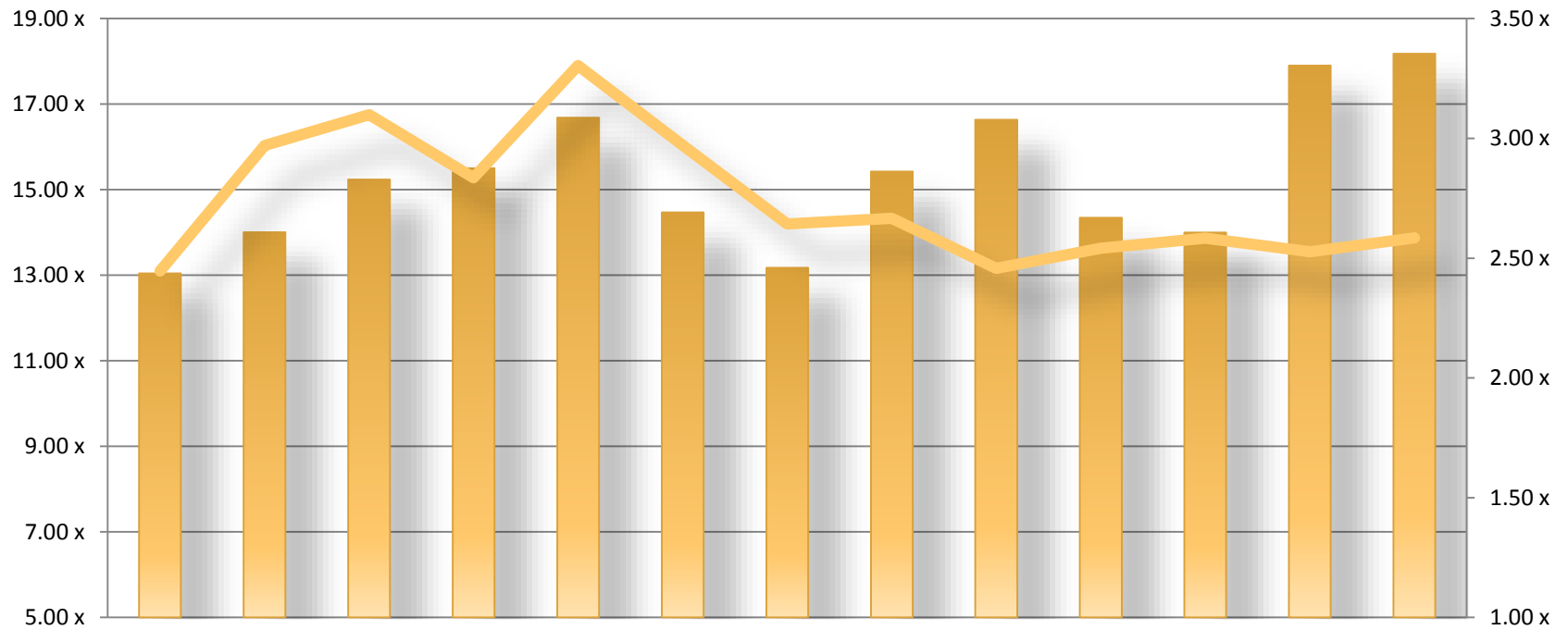


Consumer Application Software Market

Public Valuation Multiples










EV/EBITDA

EV/S



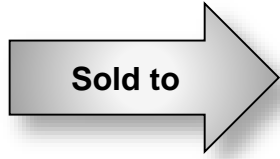
	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
EV/EBITDA	13.04 x	14.01 x	15.24 x	15.50 x	16.69 x	14.47 x	13.17 x	15.43 x	16.64 x	14.35 x	14.00 x	17.90 x	18.18 x
EV/S	2.45 x	2.97 x	3.10 x	2.84 x	3.30 x	2.97 x	2.64 x	2.67 x	2.46 x	2.54 x	2.58 x	2.53 x	2.58 x

Consumer Application Software Valuations

Subsector	Sales	EBITDA	Examples		
Education	0.76x	14.94x			
Entertainment	3.23x	63.51x			
Gaming	2.76x	17.72x			

Consumer Application Software Market

Deal Spotlight: Fitness



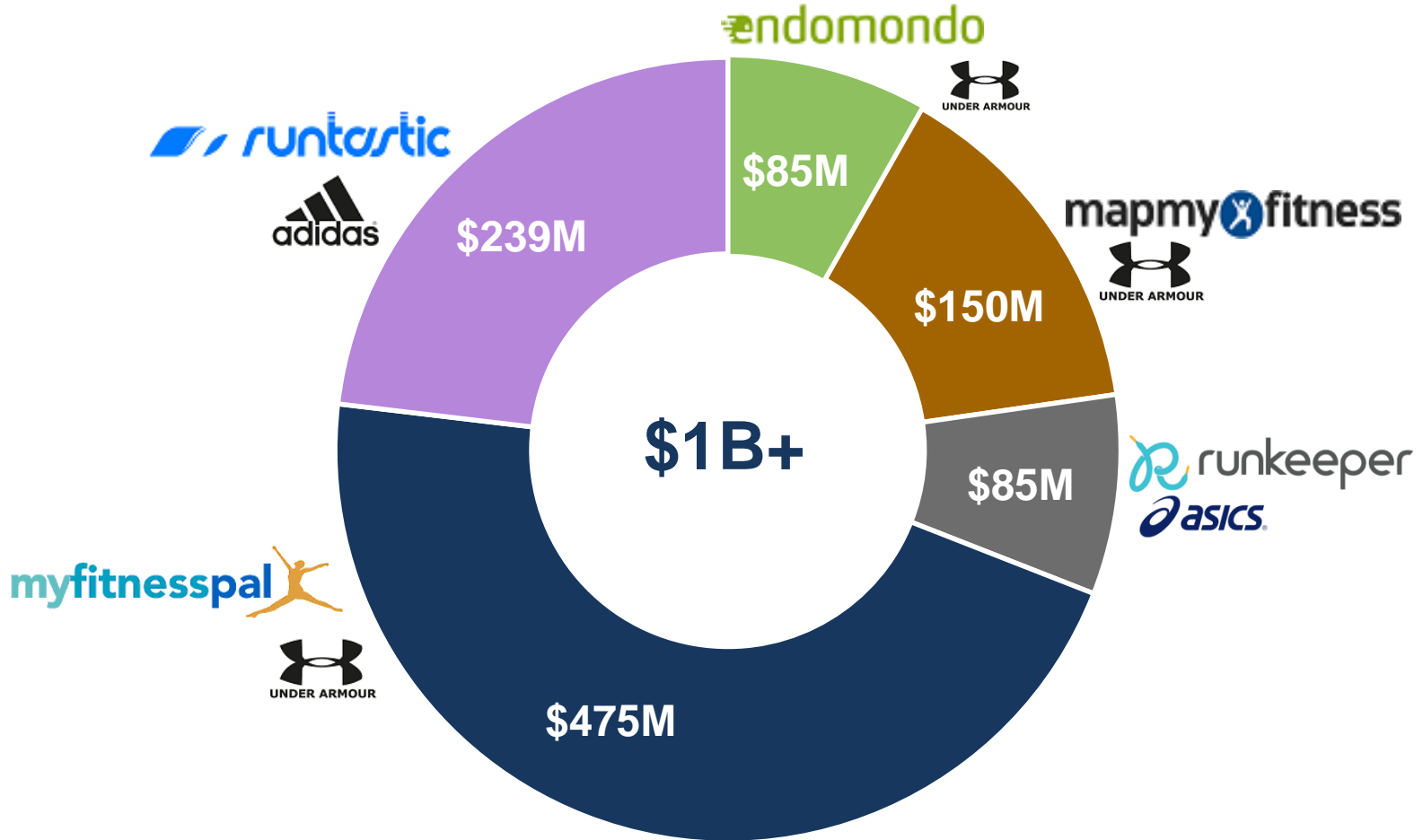
Target: RunKeeper [USA]
Acquirer: ASICS [Japan]
Transaction Value: \$85M

- GPS-based fitness tracking app and online runners' community
- Part of billion dollar wave of consolidation in the space by mostly non-tech buyers

EV/EBITDA	15.04 x	14.61 x	15.24 x	15.56 x	16.05 x	14.77 x	15.17 x	15.45 x	16.07 x	14.55 x	14.88 x	17.56 x	16.18 x
EV/S	2.45 x	2.97 x	3.10 x	2.84 x	3.30 x	2.97 x	2.64 x	2.67 x	2.46 x	2.54 x	2.58 x	2.53 x	2.58 x

Consumer Application Software Market

Deal Spotlight: Selected Fitness Deals - Consolidation (last 9 Quarters)



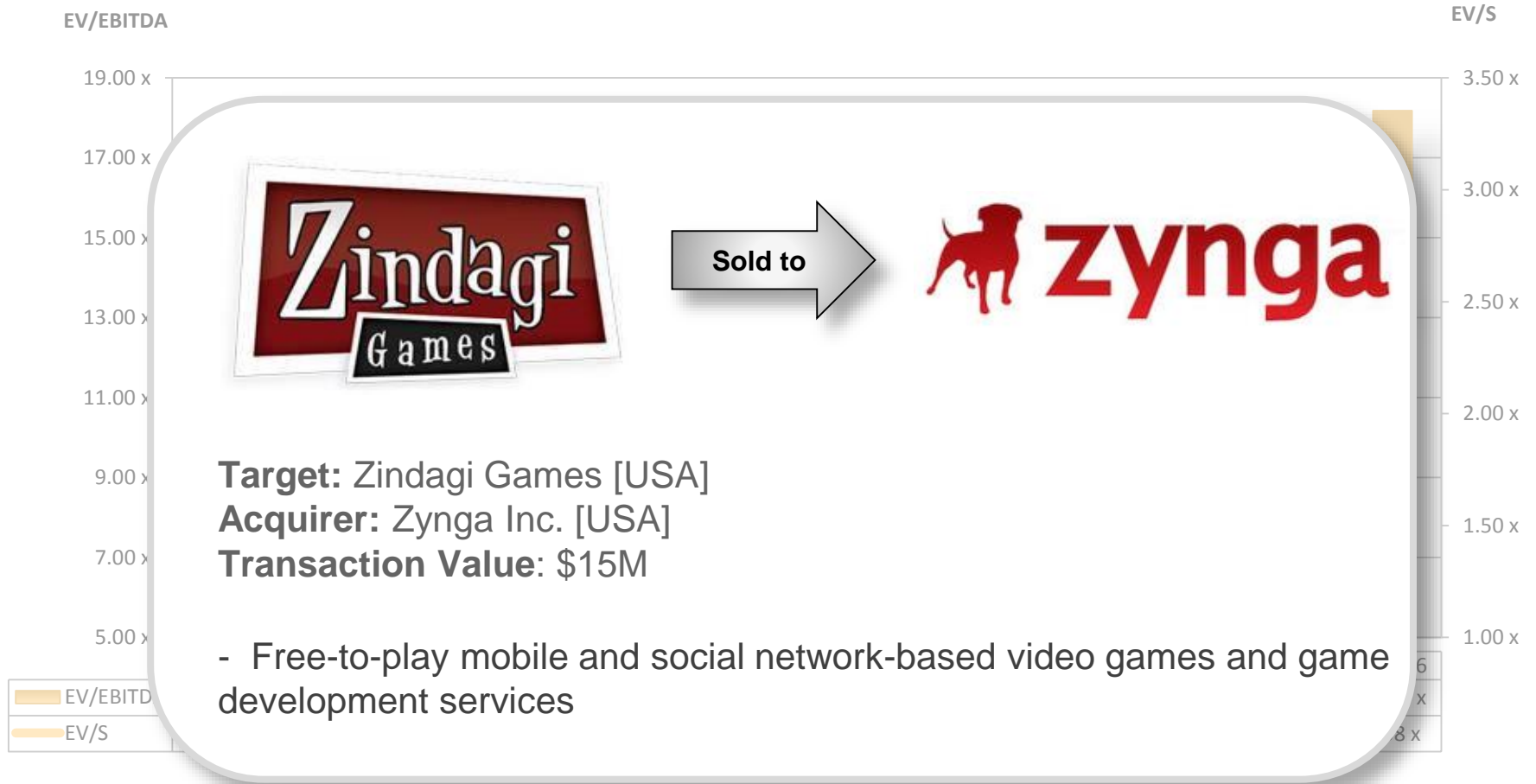
Consumer Application Software Market

Deal Spotlight: Sports gaming



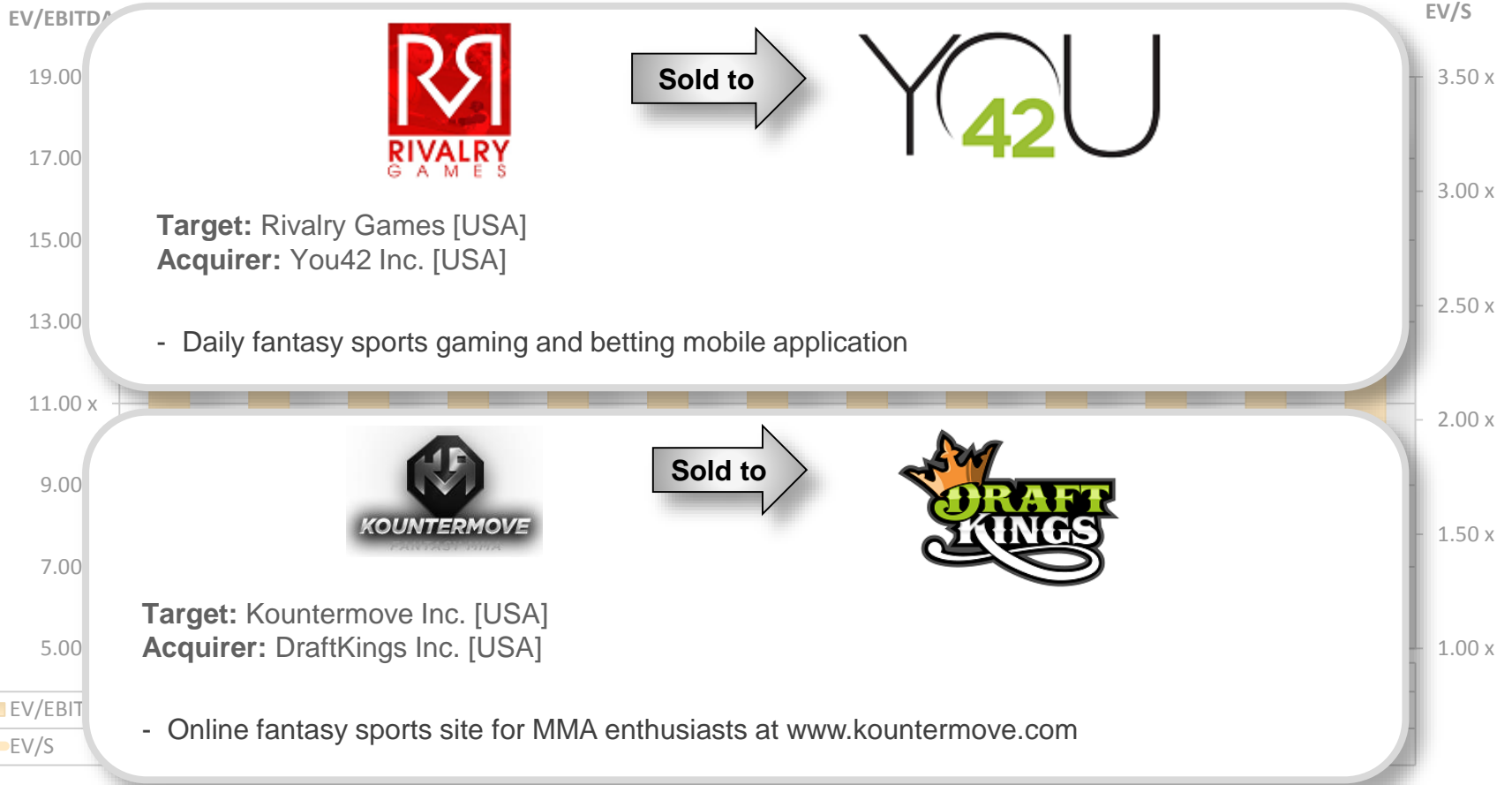
Consumer Application Software Market

Deal Spotlights: Free-To-Play Gaming



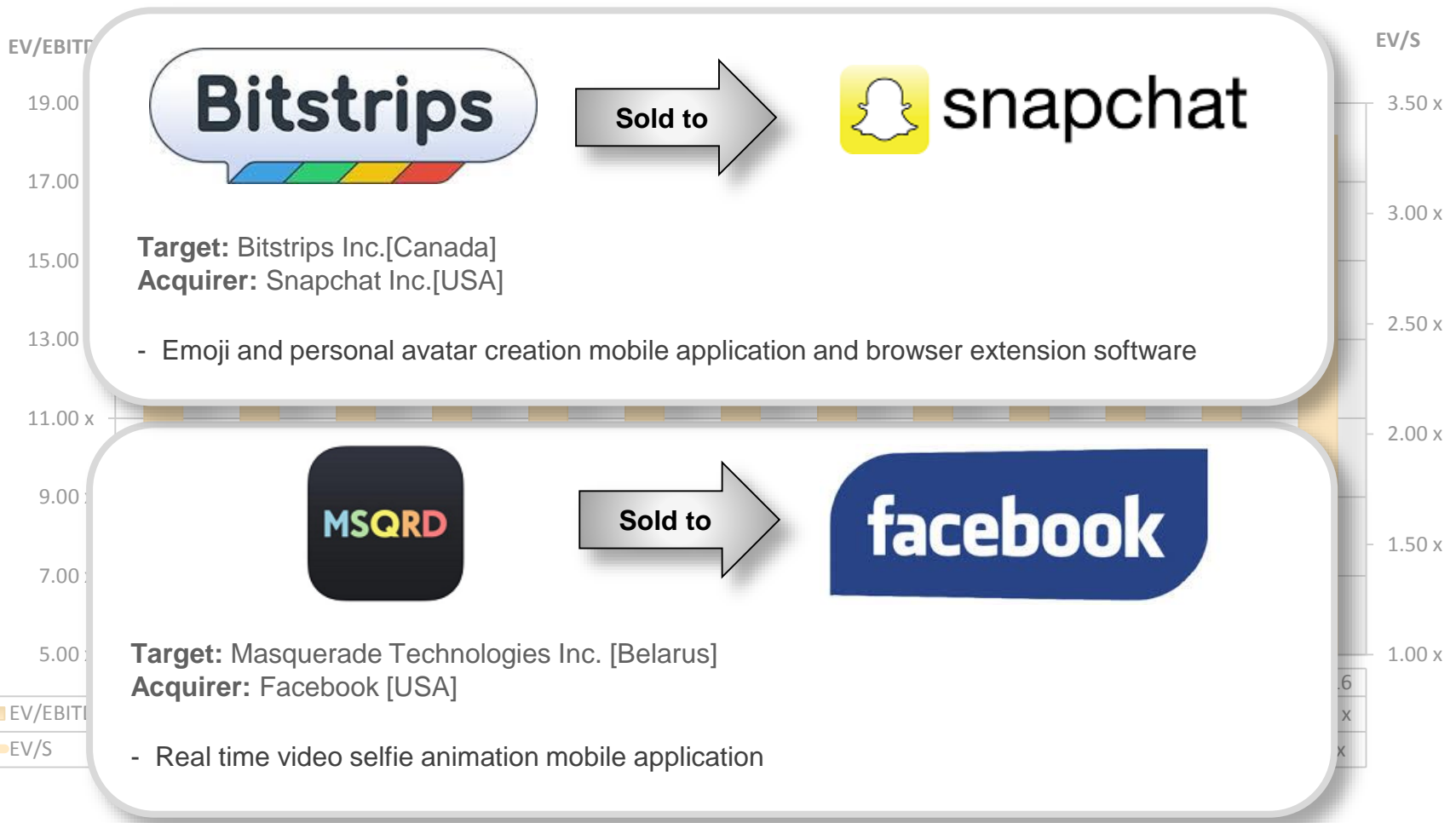
Consumer Application Software Market

Deal Spotlights: Fantasy Sports



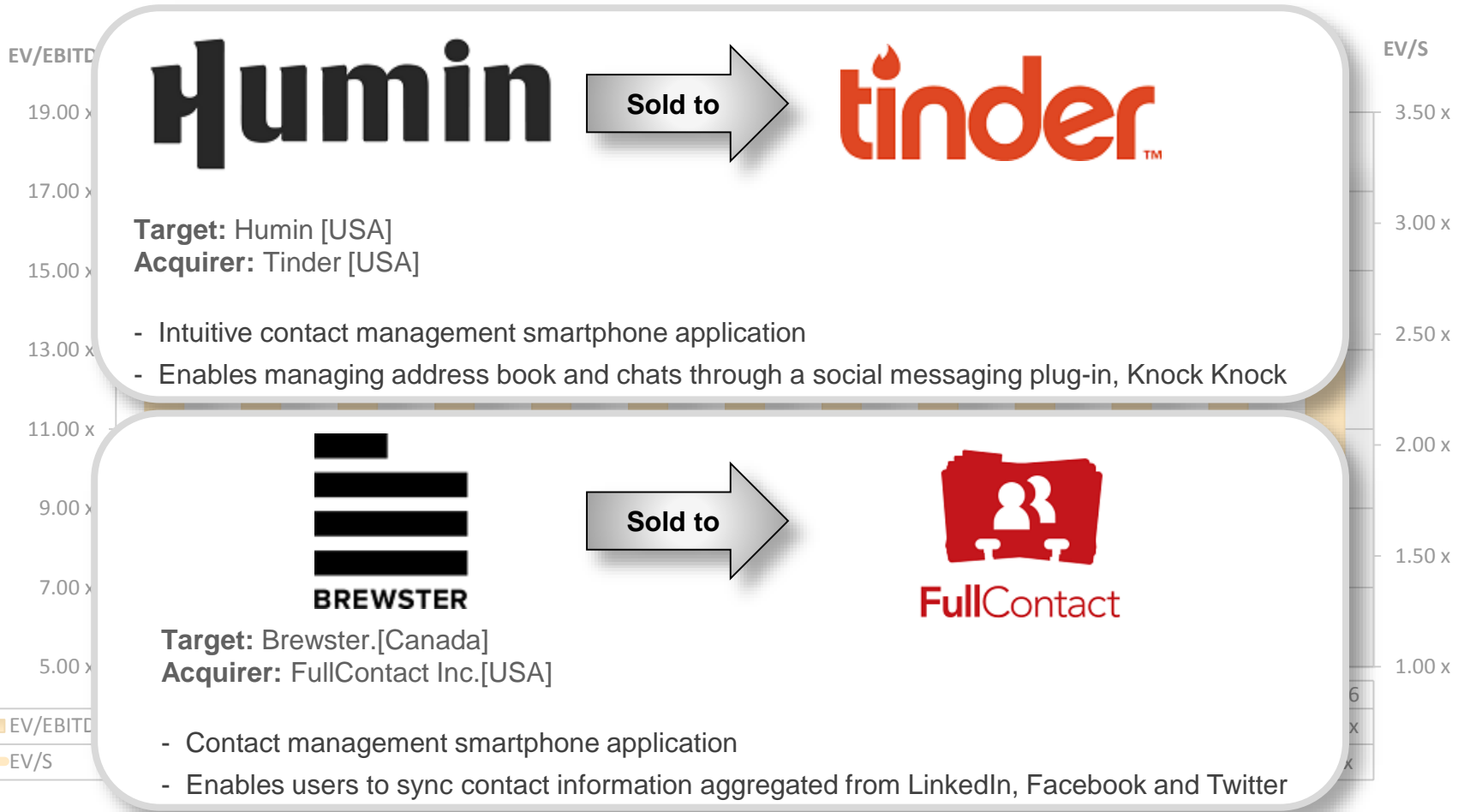
Consumer Application Software Market

Deal Spotlights: Entertainment



Consumer Application Software Market

Deal Spotlights: Contact Management



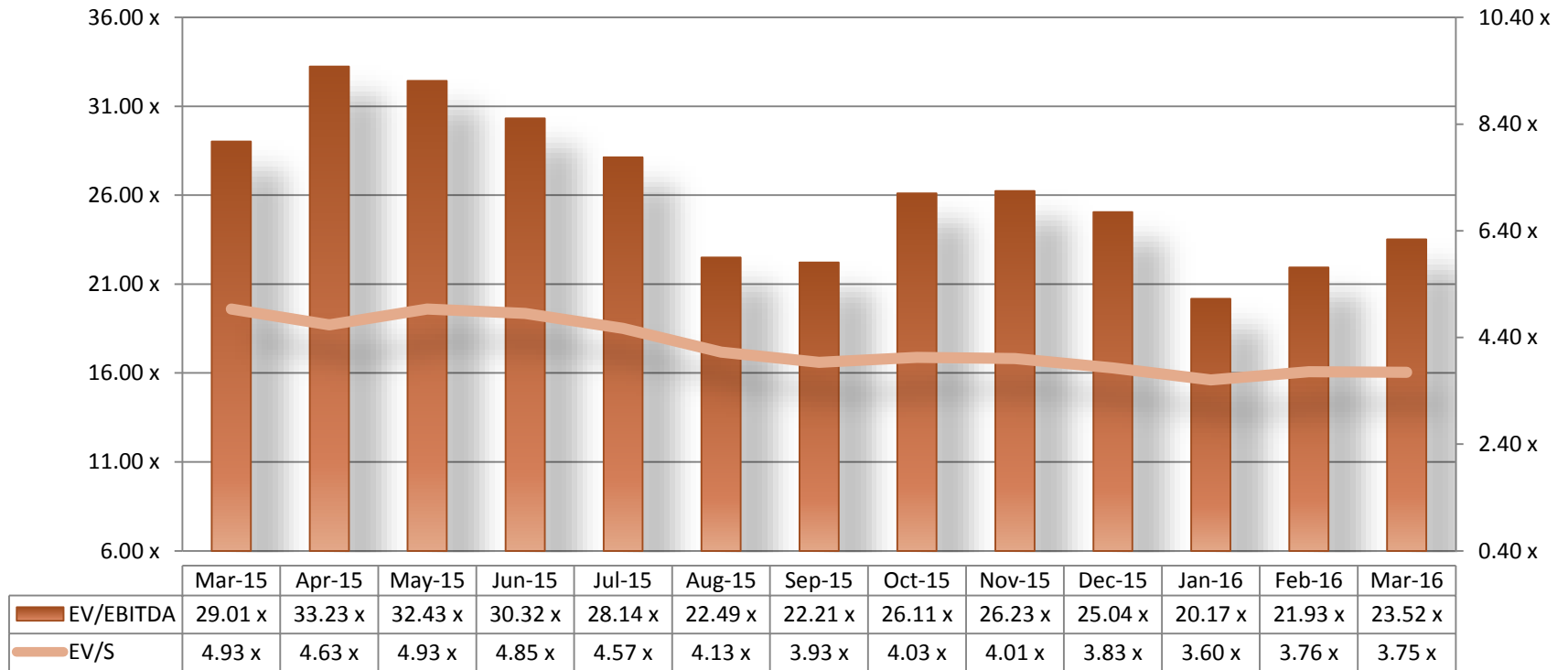


Internet Market


Public Valuation Multiples

EV/EBITDA

EV/S



Internet Valuations

Subsector	Sales	EBITDA	Examples		
Diversified Internet	6.03x	22.77x	Alphabet	Baidu 百度	Tencent 腾讯
eCommerce	1.20x	23.89x	ebay	JD 京东	zalando
Social Network	4.35x	38.42x		LinkedIn	twitter
Travel & Leisure	5.02x	21.92x	JUSTEAT	Expedia	priceline.com



Internet Market

Deal Spotlights: Travel

EV/E

VIVIDSEATS®



Vista Equity Partners

EV/S

Target: Vivid Seats Ltd. [USA]

Acquirer: Vista Equity Partners [USA]

- Online secondary ticketing marketplace to buy and sell tickets for live sports, concert and theater events

10.40 x

8.40 x

26.00

ticketbreak



ticketfly

PANDORA

Target: TicketBreak [Canada]

Acquirer: TicketFly (Pandora) [USA]

- Online retailer of concert, sporting event, festival and attraction tickets for consumers in Canada

6.40 x

4.40 x

2.40 x

1

1



Eventbrite

Target: Queue Ticketing LLC [USA]

Acquirer: Eventbrite Inc. [USA]

- Web-based ticketing, event and venue operations management software

0.40 x

EV/
EV/



Internet Market

Deal Spotlights: Travel

bucket



GALAVANTIER

Target: Enchanted Labs Inc. [dba Bucket] [USA]

Acquirer: Galavantier [USA]

- Vacation planning website for consumers to collect ideas, information, photos and maps from multiple travel websites or social media pages

captain train



thetrainline.com

Target: Captain Train [France]

Acquirer: Trainline Ltd. [KKR] [United Kingdom]

- Online and mobile app-based train ticket booking and buying website for consumers travelling in Europe

base7booking



trivago[®]


Target: Base7booking.com Sarl [Switzerland]

Acquirer: trivago.com [Expedia] [Germany]

- Cloud-based hotel booking and property management software in 17 languages in over 40 countries.

EV/
EV/

EV/S
10.40 x
8.40 x
6.40 x
4.40 x
2.40 x
0.40 x



Internet Market

Deal Spotlights: Video streaming

EV/EBITDA

EV/S

36.00

10.40 x

31

8.40 x

26

6.40 x

21

4.40 x

16

2.40 x

11

0.40 x

6

0.40 x

USTREAM™

Sold to

IBM

Target: Ustream [USA]

Acquirer: IBM Corporation [USA]

Transaction Value: \$130M

- Live & on-demand video streaming SaaS
- Joins IBM's video services unit
- Related prior acquisitions include ClearLeap, Cleversafe and Aspera

EV/EB

EV/S



Internet Market

Deal Spotlights: Social Network

EV/EB



Sold to



EV/S

Target: Parlio [USA]
Acquirer: Quora [USA]

- Political discussion-based social website
- First acquisition

0.40 x

.40 x

.40 x

4.40 x

16.0



Sold to



.40 x

Target: Drip [USA]
Acquirer: Kickstarter [USA]

- Crowd-funded music community for independent music labels
- First acquisition

.40 x

EV/E

EV/S

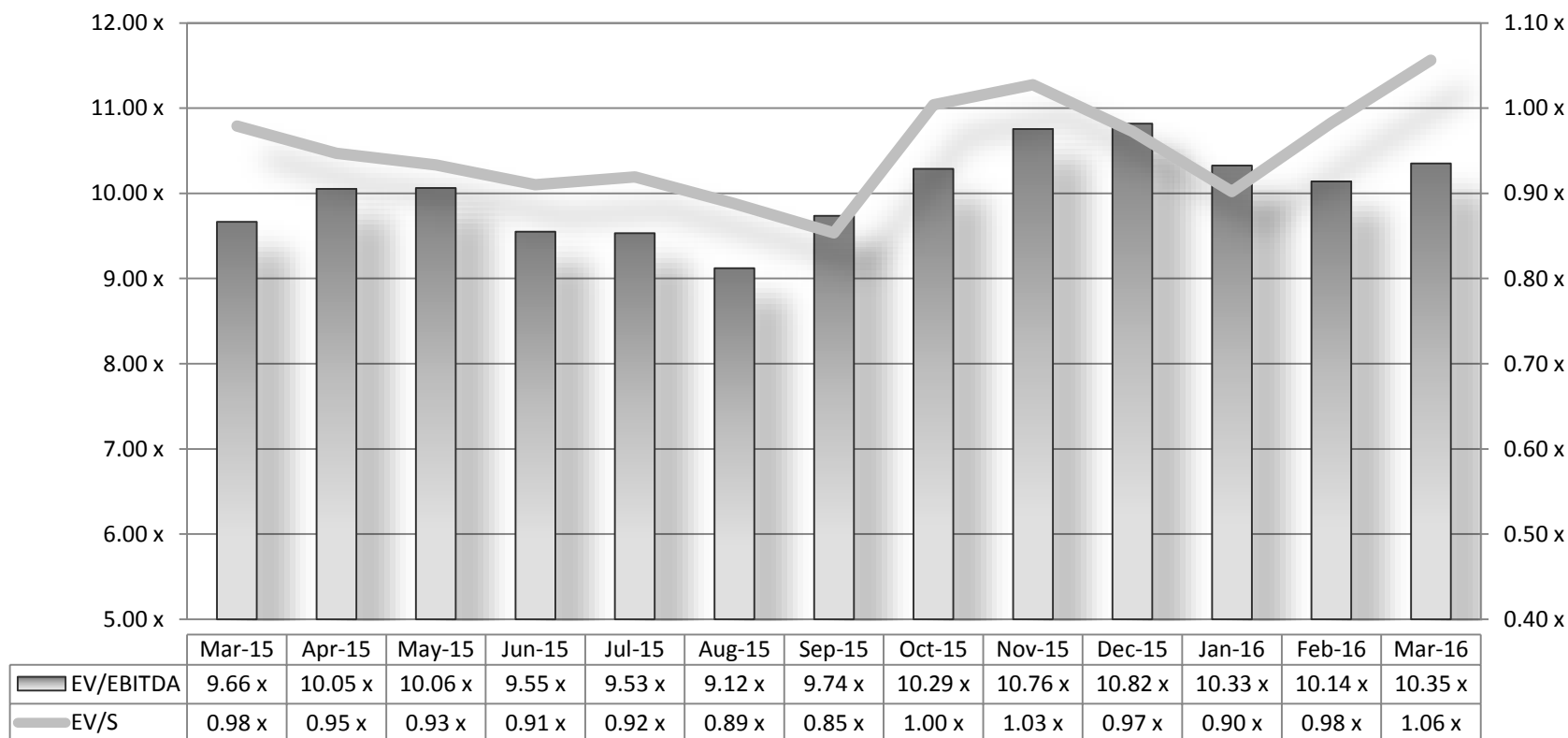


IT Services – Developed Markets

Public Valuation Multiples

EV/EBITDA

EV/S



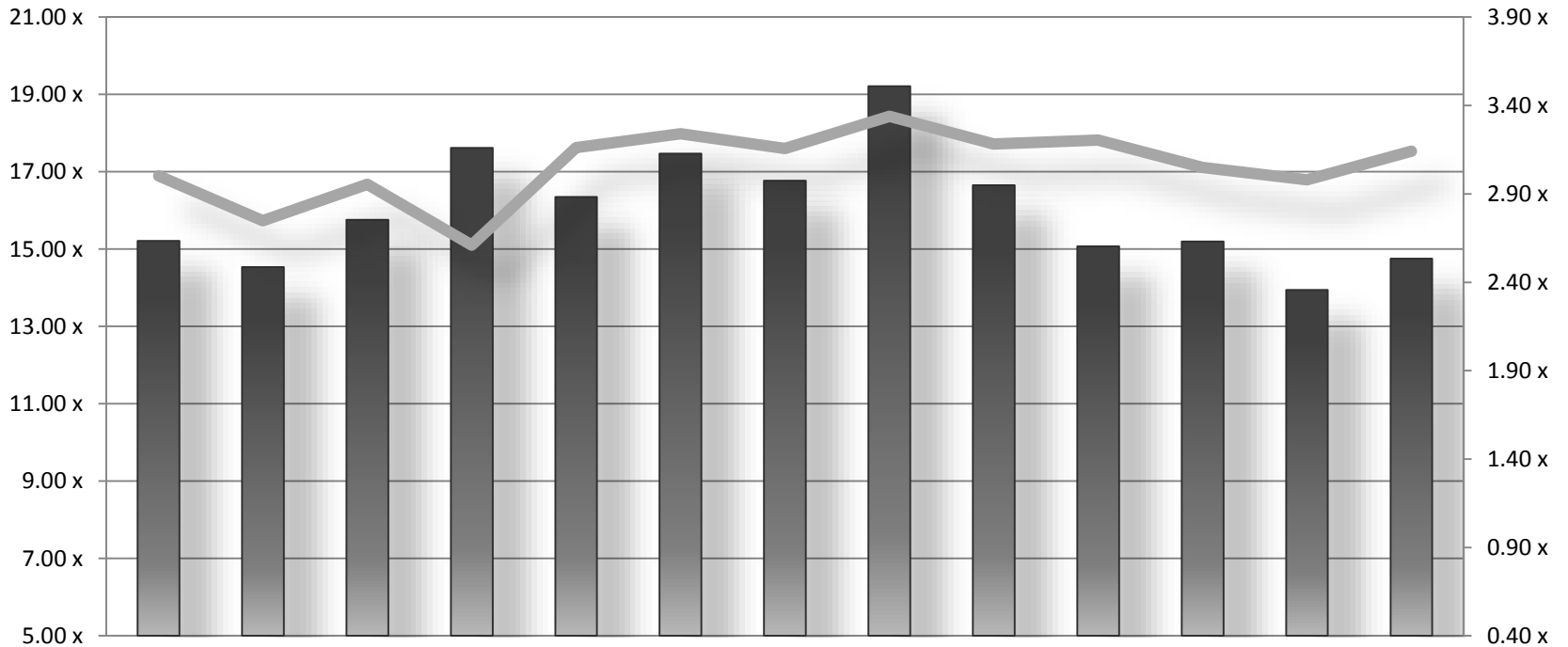


IT Services – Emerging Markets

Public Valuation Multiples

EV/EBITDA


EV/S



	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
EV/EBITDA	15.21 x	14.54 x	15.76 x	17.62 x	16.35 x	17.47 x	16.77 x	19.21 x	16.65 x	15.07 x	15.19 x	13.94 x	14.76 x
EV/S	3.00 x	2.75 x	2.95 x	2.61 x	3.16 x	3.24 x	3.16 x	3.34 x	3.18 x	3.20 x	3.05 x	2.98 x	3.14 x








IT Services Valuations

Subsector	Sales	EBITDA	Examples		
Developed	1.06x	10.35x	accenture	 Capgemini	
Emerging	3.14x	14.76x		 WIPRO Applying Thought	GENPACT



IT Services – Developed Markets

Deal Spotlight: IT Services

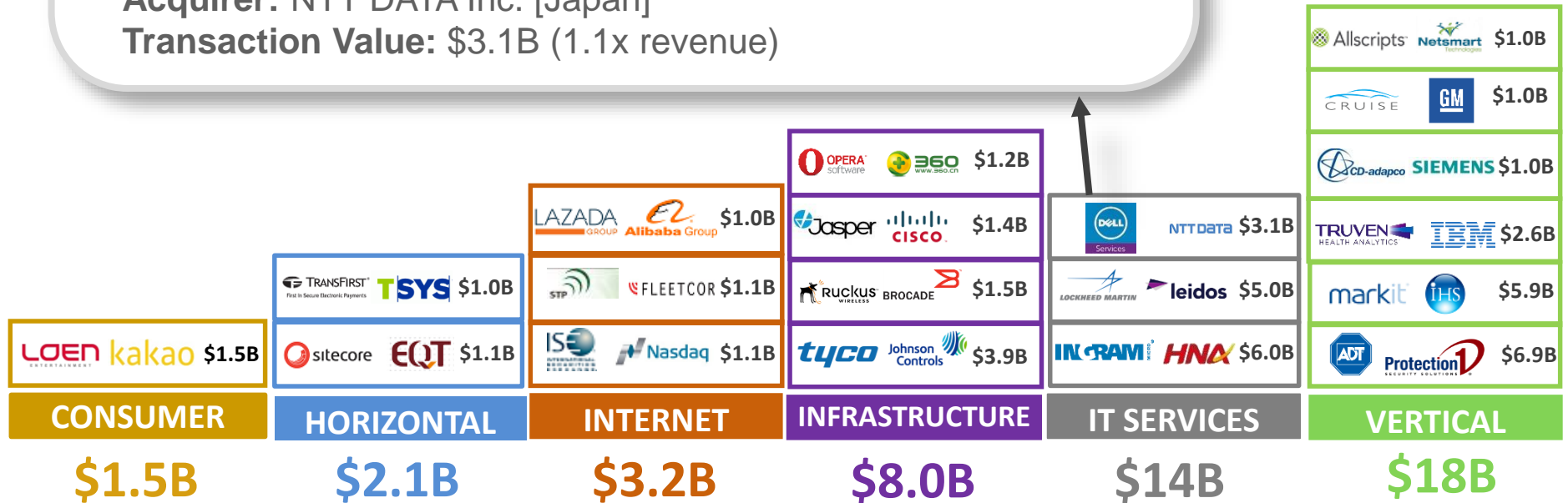
Target	Acquirer	Target Country	Acquirer Country	Description
bluewolf™		USA	USA	Salesforce integration & IT services
Optevia		UK	USA	Microsoft Dynamics CRM SaaS systems integration services
X;O		Germany	USA	Digital marketing services
aperto		Germany	USA	Digital marketing services
RESOURCE AMMIRATI		USA	USA	Digital marketing services

Mega Deals - 2016 YTD



NTT DATA

Target: Dell Services [fka Perot Systems] [Dell Inc.] [USA]
Acquirer: NTT DATA Inc. [Japan]
Transaction Value: \$3.1B (1.1x revenue)





IT Services – Developed Markets

Deal Spotlight: Security integration services

EV/EBITDA

EV/S

12.0

110 x

Dalmatian Group 

Sold to



100 x

11.0

Target: Dalmatian Group Pty Ltd. [Australia]

Acquirer: Computer Sciences Corporation [dba CSC] [USA]

90 x

10.0

- Follows last month's acquisition of UXC
- Expands CSC's presence in cybersecurity across Australia and New Zealand

80 x

9.0

70 x

8.00 x

HALBERD GROUP

Sold to



HORNE

CPAs & Business Advisors

60 x

7.0

Target: Halberd Group LLC [USA]

Acquirer: HORNE LLP [USA]

50 x

6.0

- Facilitates the establishment of HORNE Cyber Solutions

40 x









EV/EBITDA

EV/S



IT Services – Developed Markets

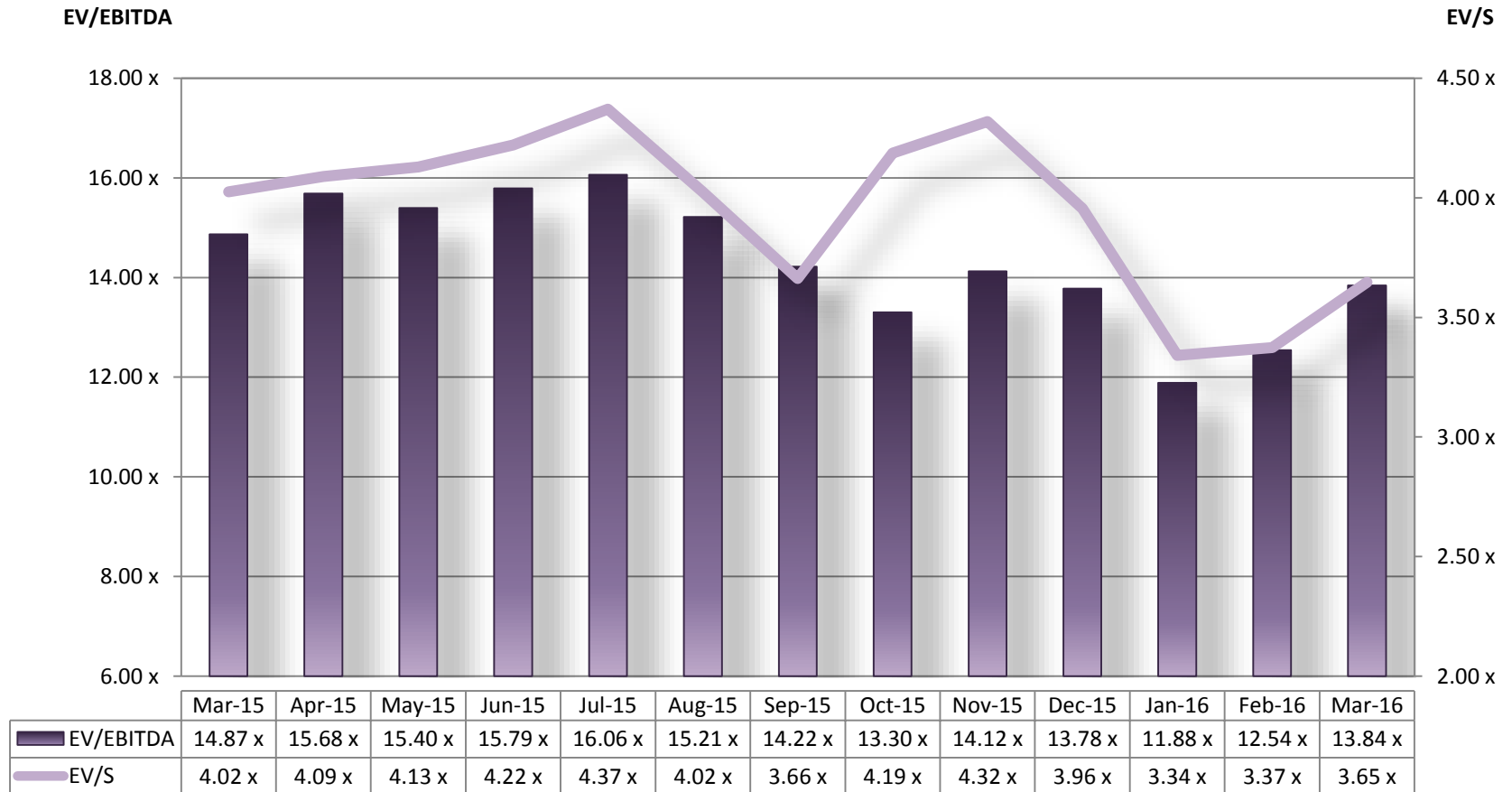
Deal Spotlight: Colocation services

Target	Acquirer	Deal Value	Target Country	Acquirer Country	Description
 CLEARVIEW CLOUD COLOCATION CONSULTING		\$18.9M	USA	USA	Texas colocation services
 STREAM DATA CENTERS		-	USA	USA	Dallas datacenter
 CME Group		\$130M	USA	USA	Illinois-based trading exchange datacenter
 CITY-lifeline	 redcentric business technology. managed.	\$6.9M	UK	USA	Central London-based data center





















Infrastructure Software Market

Public Valuation Multiples



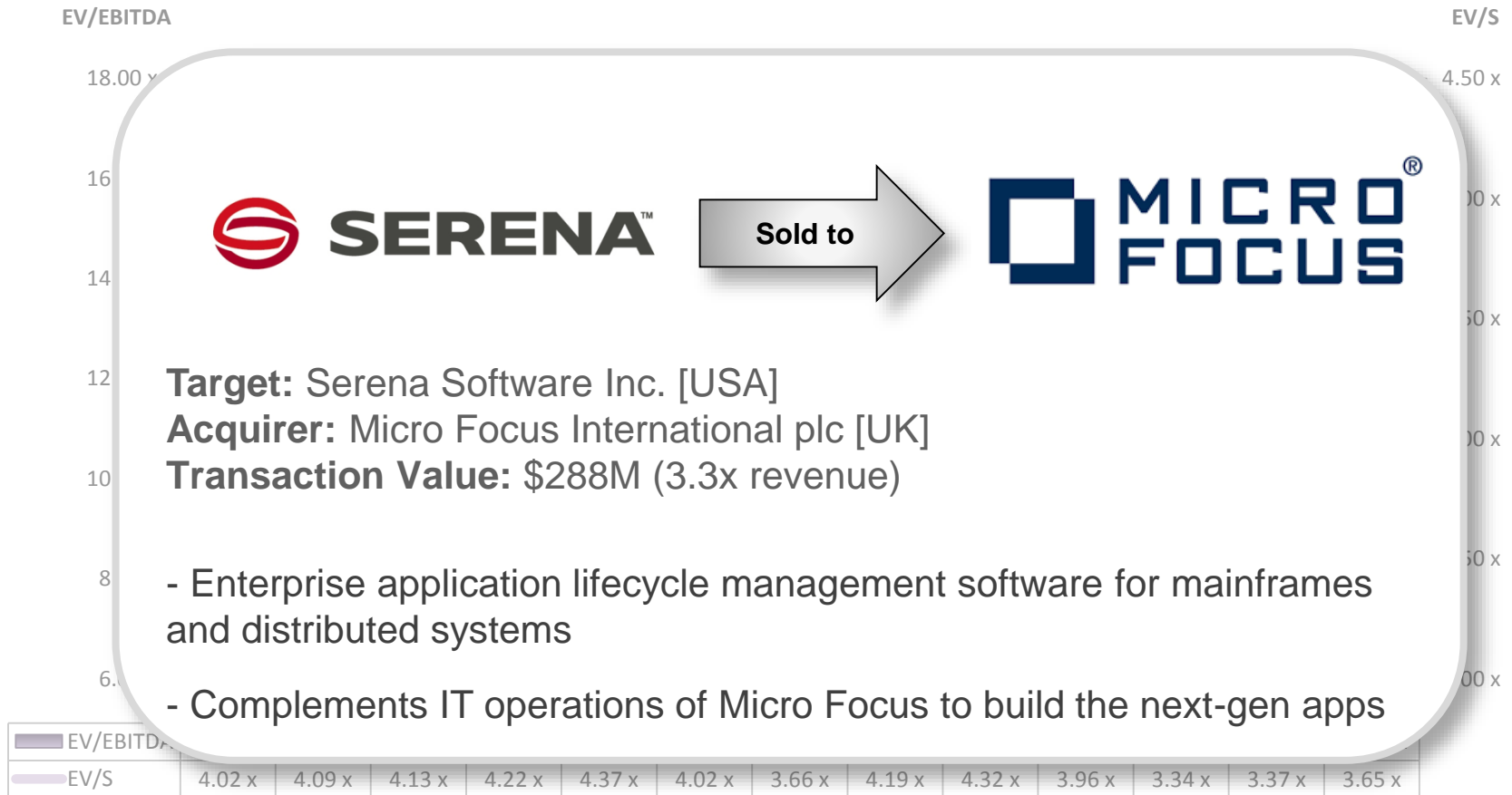
Infrastructure Software Market

Subsector	Sales	EBITDA	Examples		
Endpoint	3.13x	14.78x			
IT Services Management	4.75x	22.86x			
Network Management	2.17x	13.59x			
Security	4.09x	15.76x			
Storage & Hosting	2.64x	7.30x			
Other	4.41x	12.91x			



Infrastructure Software Market

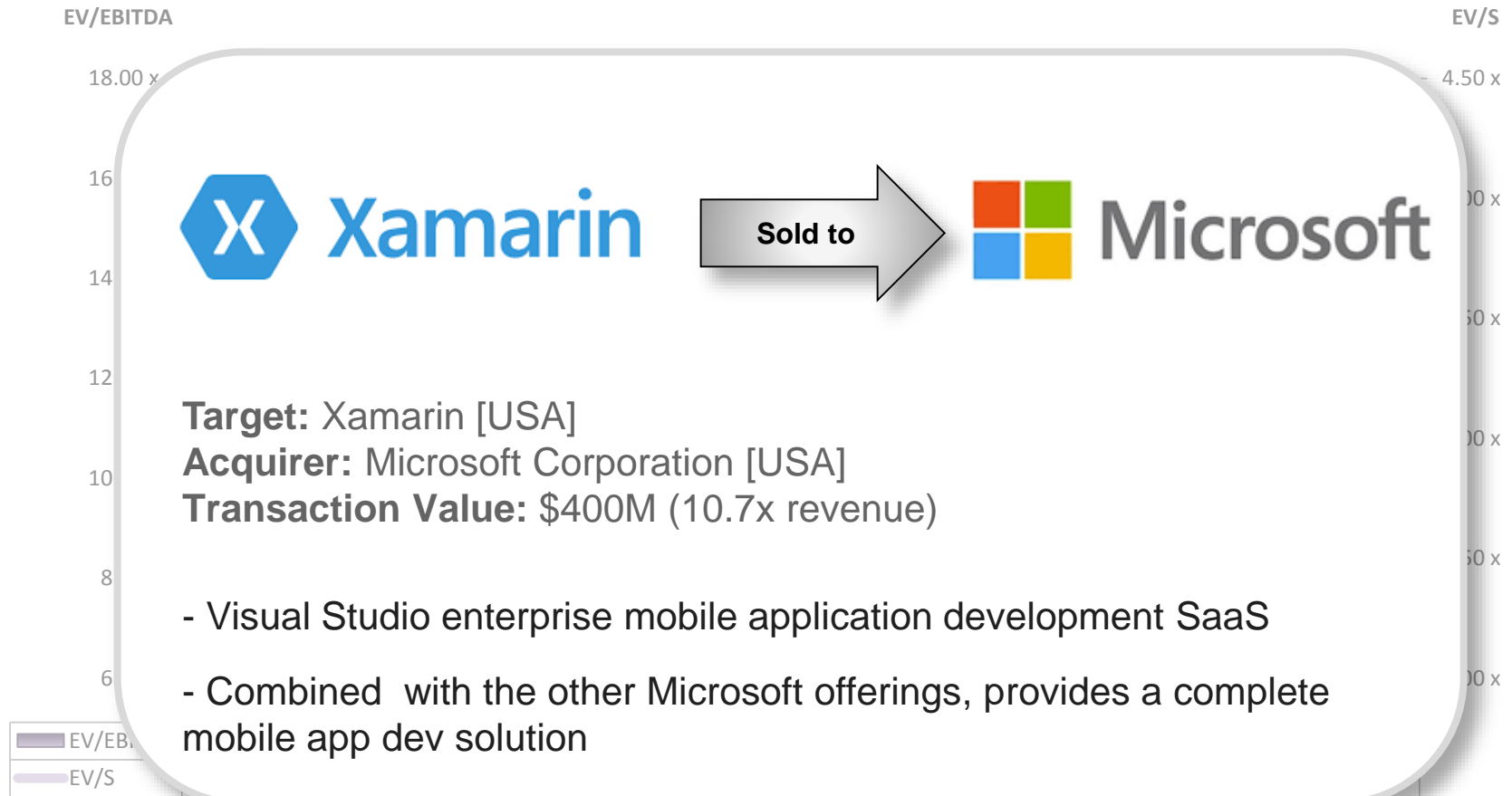
Deal Spotlight: IT Services Management





Infrastructure Software Market

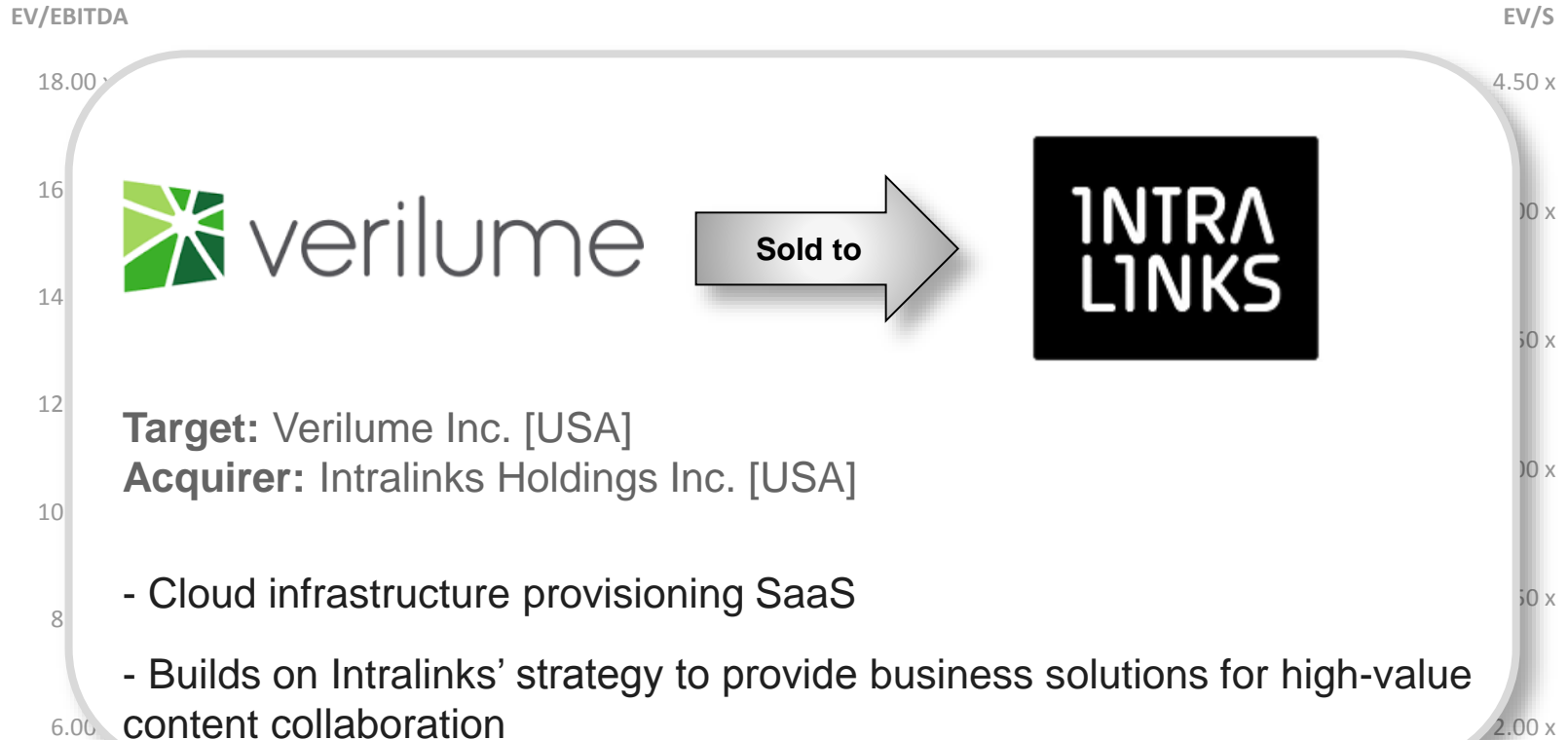
Deal Spotlight: IT Services Management





Infrastructure Software Market

Deal Spotlight: Network Management



EV/EBITDA	14.87 x	15.68 x	15.40 x	15.79 x	16.06 x	15.21 x	14.22 x	13.30 x	14.12 x	13.78 x	11.88 x	12.54 x	13.84 x
EV/S	4.02 x	4.09 x	4.13 x	4.22 x	4.37 x	4.02 x	3.66 x	4.19 x	4.32 x	3.96 x	3.34 x	3.37 x	3.65 x



Infrastructure Software Market

Deal Spotlights: Network Management





Infrastructure Software Market

Deal Spotlights: Storage





Infrastructure Software Market

Deal Spotlights: Security

EV/EBITDA

EV/S

18

1.50 x



Target: IRIS Analytics GmbH [Germany]

Acquirer: IBM Corporation [USA]

- Real-time fraud analytics engine

- Good match as Big Blue tries to focus on cloud, big data, security and analytics

10

1.00 x

14

0.50 x

12

10

3.00 x



Target: Resilient Systems Inc. [USA]

Acquirer: IBM Corporation [USA]

- Incident response management SaaS

- Fits into IBM's X-Force Incident Response Services

0.50 x

1.00 x

EV/
EV/S



Infrastructure Software Market

Deal Spotlights: Security

EV/EBITDA

EV/S



Target: TowerSec [Israel]

Acquirer: Harman International Industries Inc. [USA]

Transaction Value: reportedly \$70M

- Automotive embedded cybersecurity software
- A move to upgrade Harman's security offerings

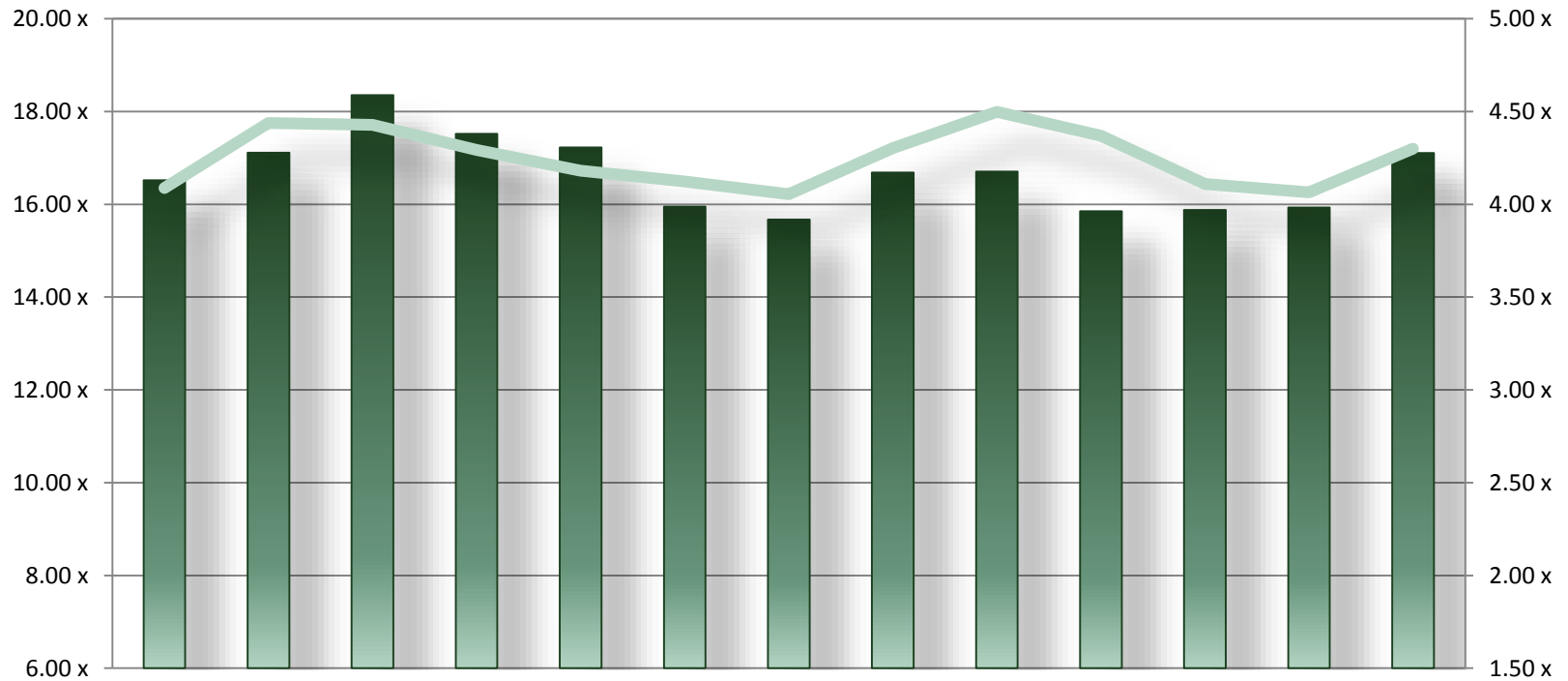
EV/EBITDA	13.04 x	14.01 x	15.24 x	15.50 x	16.69 x	14.47 x	13.17 x	15.43 x	16.64 x	14.35 x	14.00 x	17.90 x	18.18 x
EV/S	2.45 x	2.97 x	3.10 x	2.84 x	3.30 x	2.97 x	2.64 x	2.67 x	2.46 x	2.54 x	2.58 x	2.53 x	2.58 x

Vertical Application Software Market

Public Valuation Multiples

























EV/EBITDA

EV/S



	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
EV/EBITDA	16.52 x	17.11 x	18.35 x	17.52 x	17.23 x	15.95 x	15.67 x	16.69 x	16.70 x	15.85 x	15.88 x	15.93 x	17.11 x
EV/S	4.09 x	4.44 x	4.43 x	4.29 x	4.18 x	4.12 x	4.05 x	4.30 x	4.50 x	4.37 x	4.11 x	4.06 x	4.30 x

Vertical Application Software Valuations

Subsector	Sales	EBITDA	Examples		
A/E/C	4.82x	17.49x	 AUTODESK	 DASSAULT SYSTEMES	 SYNOPSYS®
Automotive	3.94x	24.95x	Autotrader 	 BitAuto 易车	 CDK Global
Energy & Environment	2.78x	16.28x		 Itron	 Schlumberger
Financial Services	4.90x	17.08x	 Broadridge®	 FIS	 fiserv.
Government	1.70x	11.99x	 NORTHROP GRUMMAN	 Raytheon	 tyler technologies
Healthcare	4.30x	19.96x	 Allscripts®	 Cerner	 imshealth <small>INTELLIGENCE APPLIED.</small>
Real Estate	6.62x	24.95x	 CoreLogic®	 CoStar Group®	 Zillow®
Vertical Other	4.23x	14.89x	 amadeus®	 Rockwell Automation	 Sabre























Corum 2016 Predictions

- Vehicles, not houses or cities, become the central hub of the IoT— driving a global M&A gold rush with multiple megadeals.
- Consumer traction in entry-level VR driven by immersive sports, news & viral “videos” – not games.
- Food ordering & delivery apps become integrated into gaming & social media.



Vertical Application Software Market

Deal Spotlight: Automotive

Target	Acquirer	Deal Value	Target Country	Acquirer Country	Description
		\$134M	USA	USA	Vehicle tracking solutions
		-	Poland	Netherlands	Fleet management SaaS
		-	USA	USA	Software for embedded vehicle mobile applications
		~\$30M	India	USA	Embedded media playback systems
		-	USA	USA	Mobile ride-sharing & carpooling service
		\$1B	USA	USA	Autonomous vehicle navigation system
		-	USA	USA	Autonomous vehicle engineering team
		-	USA	Canada	Automotive dealer management SaaS
		-	USA	USA	Automotive dealership analytics reporting SaaS
		-	USA	USA	Marketing predictive analytics SaaS for automotive dealerships
		-	USA	USA	Car recovery management

Mega Deals - 2016 YTD



Target: Cruise Automation Inc. [USA]
Acquirer: General Motors Corporation [USA]
Transaction Value: reportedly \$1B



Allscripts	Netsmart	\$1.0B
CRUISE	GM	\$1.0B
CD-adapco	SIEMENS	\$1.0B
TRUVEN HEALTH ANALYTICS	IBM	\$2.6B
markit	IHS	\$5.9B
ADT	Protection1	\$6.9B

OPERA software	360	\$1.2B
Jasper	CISCO	\$1.4B
Ruckus WIRELESS	BROCADE	\$1.5B
tyco	Johnson Controls	\$3.9B

LAZADA GROUP	Alibaba Group	\$1.0B
STP	FLEETCOR	\$1.1B
ISE	Nasdaq	\$1.1B

TRANSFIRST	TSYS	\$1.0B
sitecore	EQT	\$1.1B

DELL Services	NTT DATA	\$3.1B
LOCKHEED MARTIN	leidos	\$5.0B
INGRAM	HNA	\$6.0B

LOEN	kakao	\$1.5B
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CONSUMER	HORIZONTAL	INTERNET	INFRASTRUCTURE	IT SERVICES	VERTICAL
\$1.5B	\$2.1B	\$3.2B	\$8.0B	\$14B	\$18B



Vertical Application Software Market

Deal Spotlight: Automotive

Sidecar

Sold to



Target: Sidecar Technologies [USA]

Acquirer: General Motors [USA]

- Mobile ride-sharing & delivery service
- GM, with its Lyft Alliance, aggressively targeting hot areas in transportation-related tech: car & ride-sharing, autonomous taxis, etc.
- Includes license to potentially seminal patent

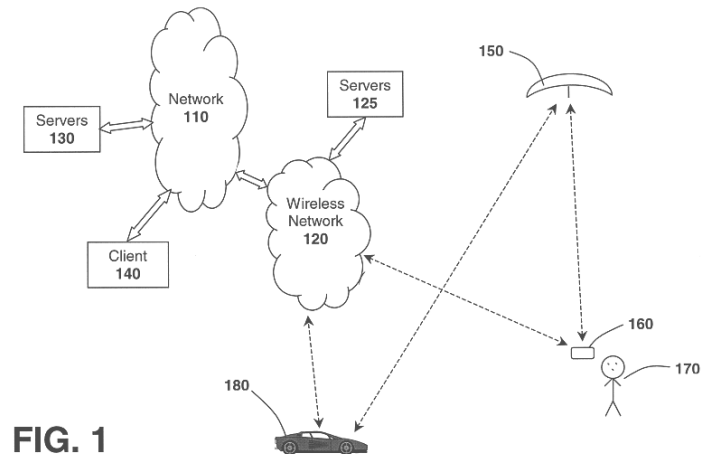
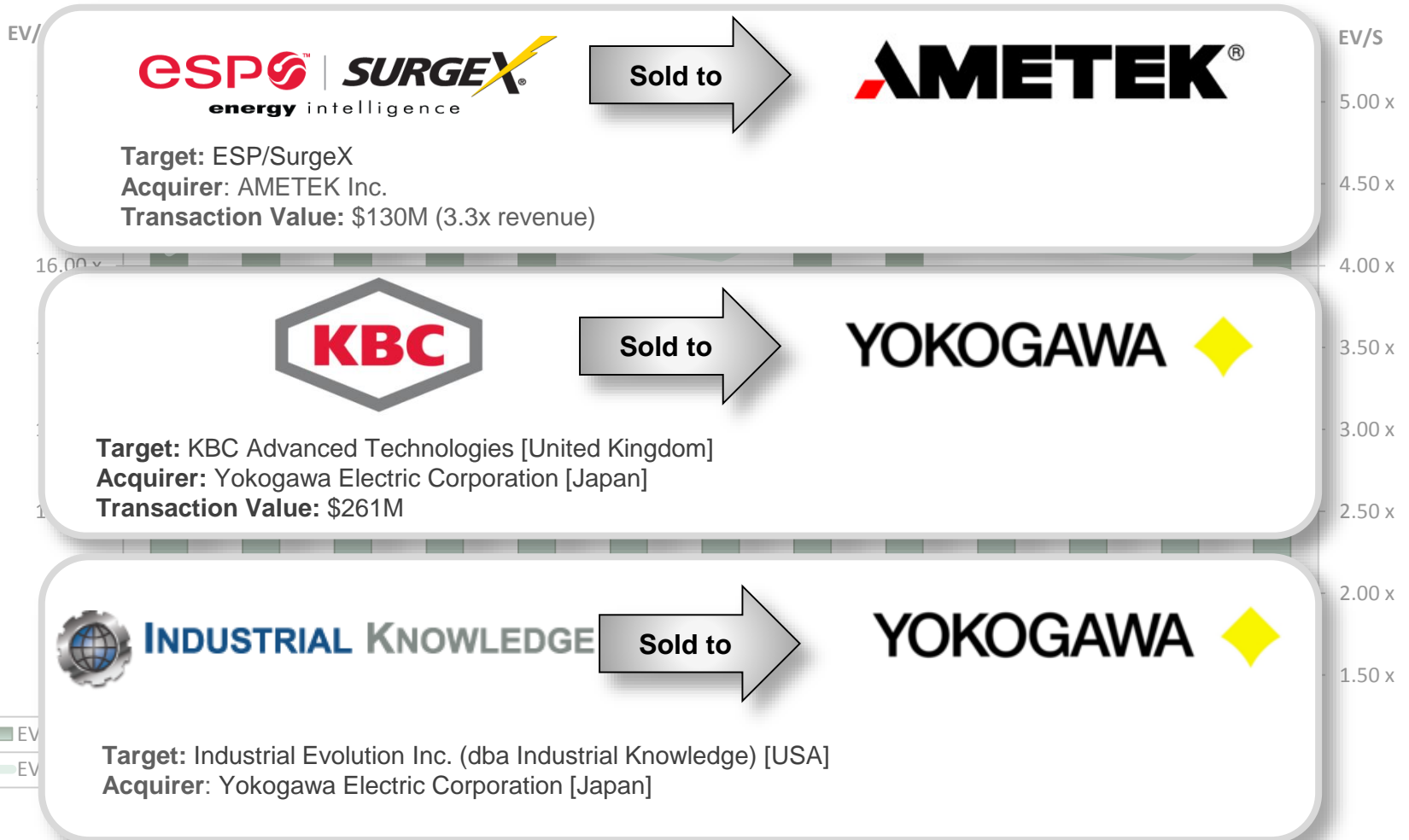


FIG. 1

Patent : System and method for determining an efficient transportation route

Vertical Application Software Market

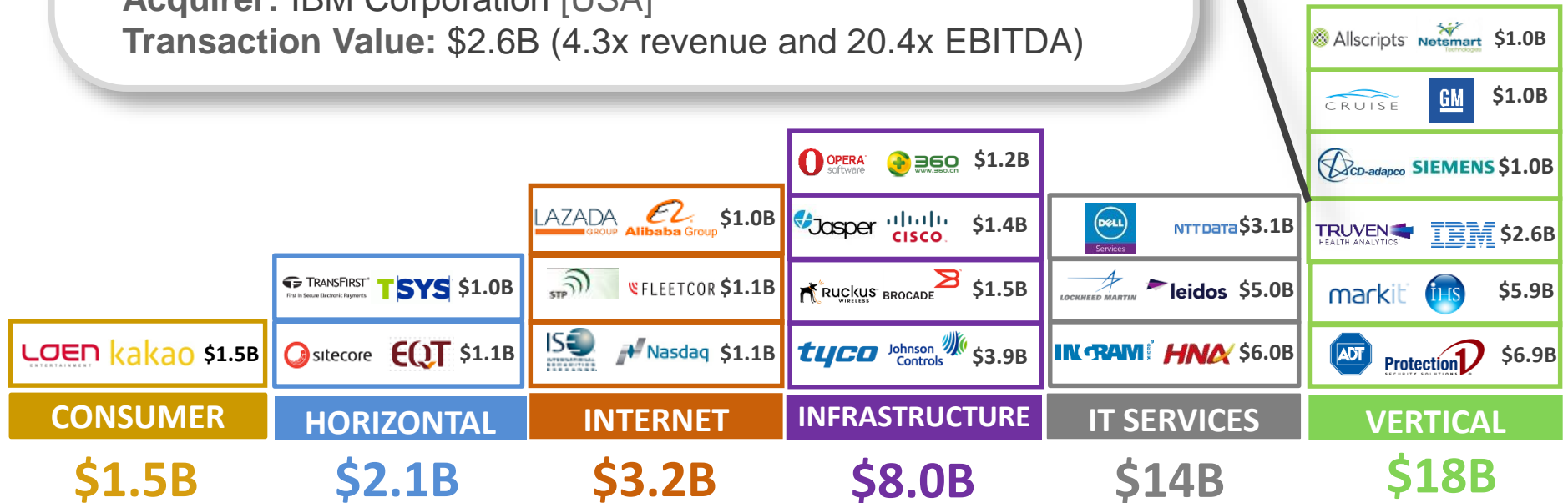
Deal Spotlights: Energy



Mega Deals - 2016 YTD



Target: Truven Health Analytics [USA]
Acquirer: IBM Corporation [USA]
Transaction Value: \$2.6B (4.3x revenue and 20.4x EBITDA)



Corum Research Report



Elon Gasper
Vice President,
Director of Research



Amber Stoner
Senior Analyst



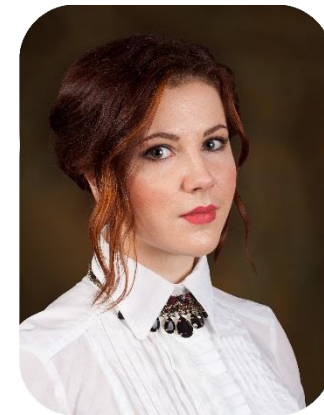
Aaron King
Analyst



Thomas Wright
Analyst



Micaela Pearson
Conference Development



Valeriya Chumachenko
Analyst

Q&A

- We welcome your questions!
 - Use Q&A tab at the bottom of screen
 - Submit to queue at any time

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. 19: **Columbus** – SUSO

May 5: **Milwaukee** – MB

Apr. 19: **Portland** – SUSO

May 5: **Reston** – MB

Apr. 20: **Kansas City** – SUSO

May 10: **Munich** – MB

Apr. 21: **St. Louis** – SUSO

May 10: **New York City** – MB

May 3: **Raleigh** – MB

May 11: **Berlin** – MB

May 3: **Durham** – MB

May 11: **Boston** – MB

May 4: **Minneapolis** – SUSO

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