



TECH M&A MONTHLY

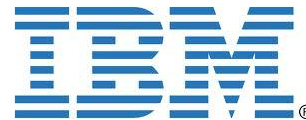
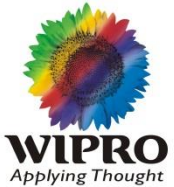
....starts in 2 minutes



www.corumgroup.com

CORUM

Past Attendees Include:



CORUM

Past Conferences & Reports

- Private Equity Panel
- 10 Key Terms in an M&A Contract
- Google Acquisition Strategy
- Deal Structures Today
- Disruptive Tech Trend Reports: IoT Software, Majority Mobilization, Sports & Gaming, etc.
- Special Reports: Patents, New Buyers, M&A Process, Increasing Deal Value...



TECH M&A MONTHLY

....starts in 1 minute

Merge Briefing

- 90 Minutes
- Industry Update
- Overview of the M&A Process
- Upcoming events in:
 - Seattle
 - Nashua
 - Salt Lake City
 - Toronto
 - Sofia
 - Edinburgh
 - Columbus
 - Reykjavik
 - Bucharest
 - Budapest



MERGE BRIEFING

Selling Up, Selling Out

- Half-Day
- Tech M&A Bootcamp
- The most attended tech executive conference in history
- Upcoming events in:
 - Dublin
 - Bellevue
 - Sacramento
 - Chicago
 - Cleveland



8 Stages for an Optimal Outcome

1



Typical Negotiation Flow





AVOIDING THE
DEAL DISASTERS

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.”

Aug. 20: **Seattle** – MB
Aug. 25: **Nashua** – MB
Aug. 26: **Portland, ME** – MB
Sep. 1: **Salt Lake City**– MB
Sep. 15: **Edinburgh** – MB
Sep. 16: **Dublin** – SUSO
Sep. 16: **Toronto** – MB
Sep. 22: **Bellevue** – SUSO

Sep. 23: **Bucharest** – MB
Sep. 24: **Sofia** – MB
Sep. 30: **Columbus** – MB
Oct. 8: **Reykjavik**– MB
Oct. 13: **Madrid**– MB
Oct. 13: **Sacramento** – SUSO
Oct. 29: **Minneapolis** – MB
Nov. 5: **Vancouver** – MB

Logistics

- Ask questions for Q&A session
 - Use Q&A window on left side
 - Submit to queue at any time
 - Ask “all panelists” – see “ask” option above text-entry box
- This event is being recorded
 - European broadcast August 14, 1 PM Berlin Time
 - On demand webcast will be available at www.corumgroup.com



Tech M&A Monthly China & Gaming

13 August 2015

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.

Moderator



Timothy Goddard
VP, 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.

Agenda

- Welcome
- Field Report: Digital Extremes
- Event Report: Casual Connect
- Research Report
 - Public Markets & Corum Index
 - Deals & Valuation Metrics: Vertical, IT Services, Internet
 - Google & Alphabet – M&A Impact
- China Report & Analysis
- Special Guest: James Schmalz
- Q&A

Field Report: Digital Extremes



Jim Perkins
Vice President
Corum Group, Ltd.



LE YOU | PERFECT WORLD

have acquired



DIGITAL
EXTREMES

*Corum initiated this transaction and acted
as exclusive M&A advisor to Digital Extremes*

CORUM
MERGERS & ACQUISITIONS



Casual Connect 2015: San Francisco



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.

Corum Research Report



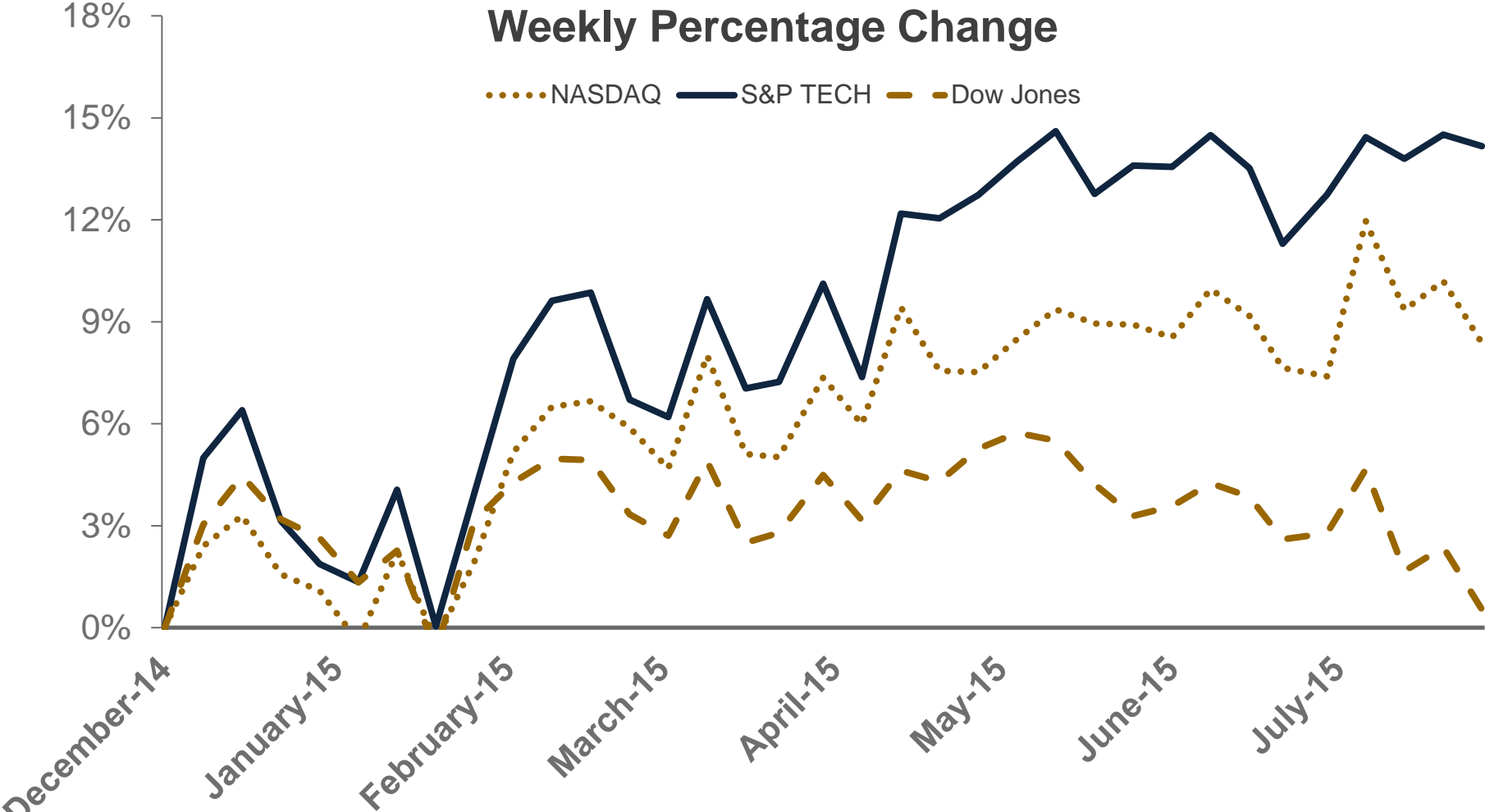
Elon Gasper
Vice President,
Director of Research



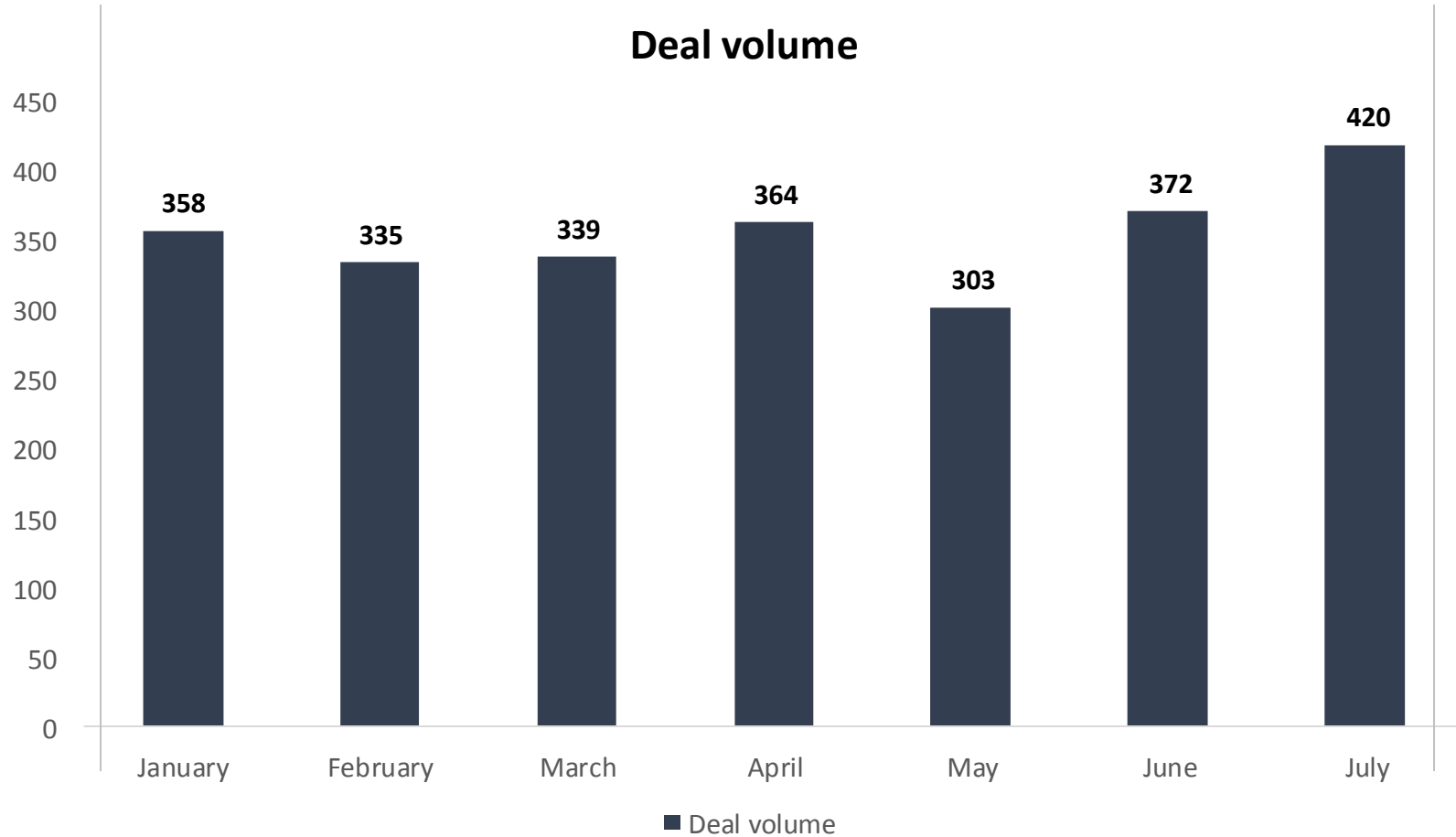
Yasmin Khodamoradi
Analyst

Public Markets

Weekly Percentage Change



Tech M&A 2015 YTD



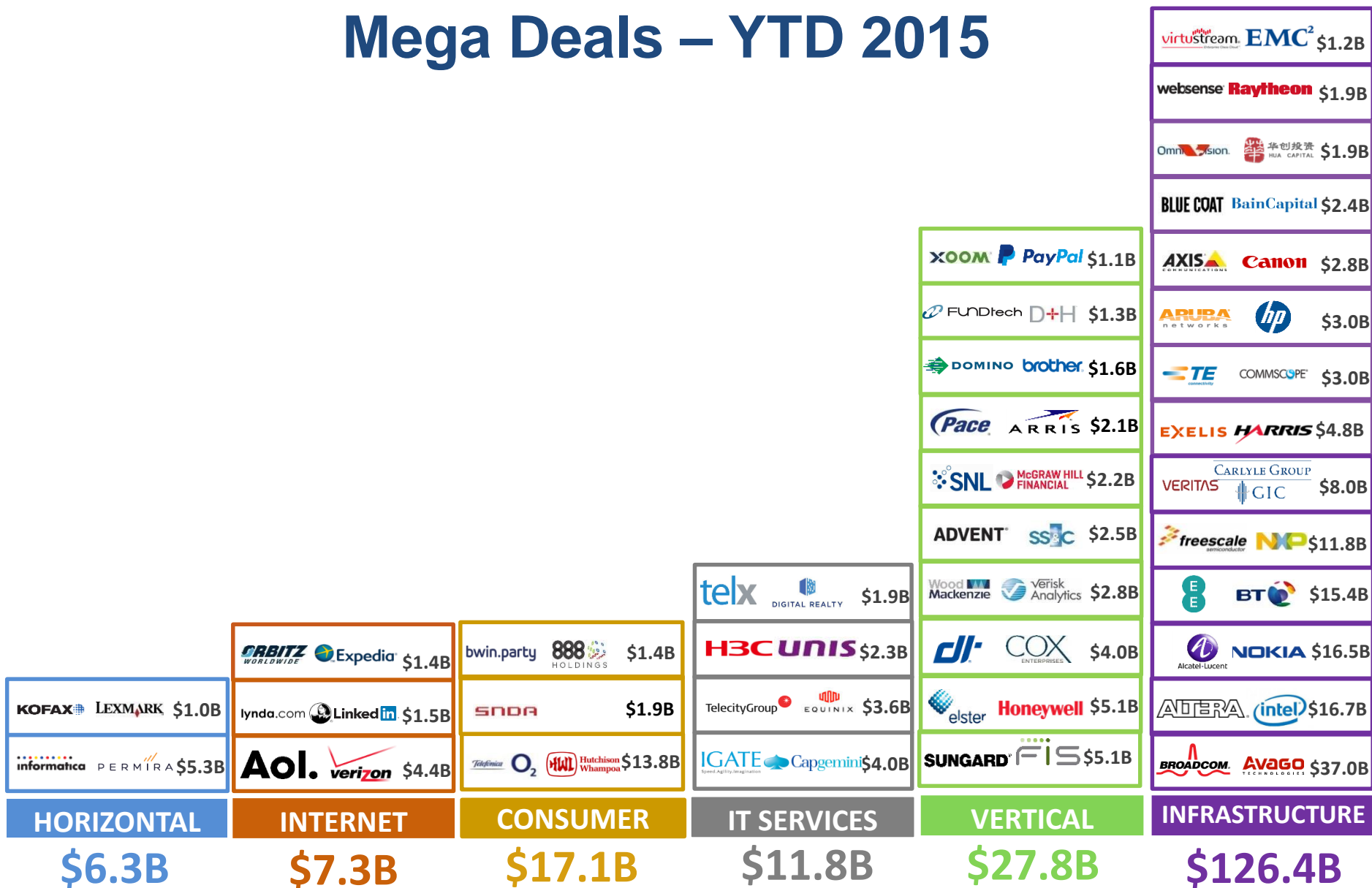
Source: 451research

Corum Index

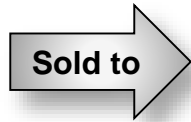
	July 2014	July 2015
# of Transactions	329	420
# of Mega Deals	4	5
Largest Deal	\$4.7B	\$5.1B
Private Equity Deals	18	21
# VC backed Exits	60	63
% Cross Border Transactions	34%	39%
% of Startup Acquisitions	15%	13%
Average Life of Target	14	15

Buyer	Seller	Price
Honeywell	Elster Group	\$5.1B
McGraw Hill Financial	SNL Financial	\$2.2B
Digital Realty Trust	Telx Group	\$1.9B
888 Holdings	Bwin.party digital ent.	\$1.4B
Paypal	Xoom Corp.	\$1.1B

Mega Deals – YTD 2015

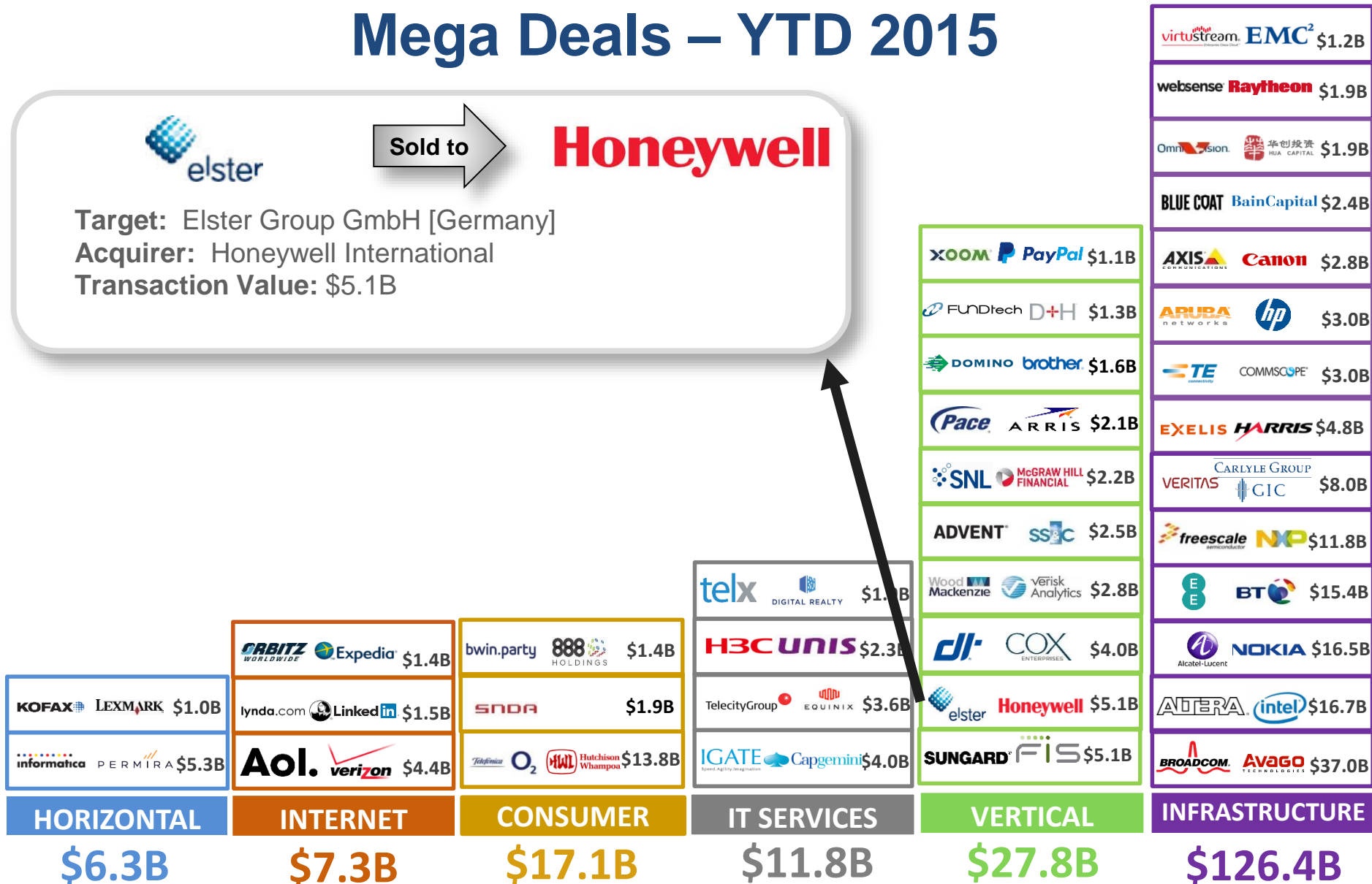


Mega Deals – YTD 2015



Honeywell

Target: Elster Group GmbH [Germany]
 Acquirer: Honeywell International
 Transaction Value: \$5.1B



Mega Deals – YTD 2015



Sold to



Target: SNL Financial LC
 Acquirer: McGraw Hill Financial Inc.
 Transaction Value: \$2.2B



Sold to



Target: SunGard Data Systems
 Acquirer: Fidelity National
 Transaction Value: \$5.1B

XOOM PayPal \$1.1B	virtustream EMC² \$1.2B
FUNDtech D+H \$1.3B	websense Raytheon \$1.9B
DOMINO brother \$1.6B	Omnivision 华创投资 HUA CAPITAL \$1.9B
Pace ARRIS \$2.1B	BLUE COAT BainCapital \$2.4B
SNL McGraw Hill Financial \$2.2B	AXIS COMMUNICATIONS Canon \$2.8B
ADVENT SS&C \$2.5B	ARUBA networks hp \$3.0B
Wood Mackenzie Verisk Analytics \$2.8B	TE Connectivity COMMSCOPE \$3.0B
DI COX ENTERPRISES \$4.0B	EXELIS HARRIS \$4.8B
elster Honeywell \$5.1B	VERITAS CARLYLE GROUP GIC \$8.0B
SUNGARD FIS \$5.1B	freescale NXP \$11.8B
	EE BT \$15.4B
	Alcatel-Lucent NOKIA \$16.5B
	ATERA intel \$16.7B
	BROADCOM AVAGO TECHNOLOGIES \$37.0B

KOFAX LEXMARK \$1.0B	ORBITZ WORLDWIDE Expedia \$1.4B	bwin.party 888 HOLDINGS \$1.4B	MSCUNIS \$2.3B
lynda.com LinkedIn \$1.5B	SNDA \$1.9B	TelecityGroup EQUINIX \$3.6B	
informatica PERMIRA \$5.3B	Aol. verizon \$4.4B	Telefonica O2 Hutchison Whampoa \$13.8B	IGATE Capgemini \$4.0B

HORIZONTAL	INTERNET	CONSUMER	IT SERVICES	VERTICAL	INFRASTRUCTURE
\$6.3B	\$7.3B	\$17.1B	\$11.8B	\$27.8B	\$126.4B



Vertical Market

Public Valuation Multiples

Since Q2

Aug. 2015

Corum Analysis



3.9x

Down 7% from historic highs in second quarter and followed by...



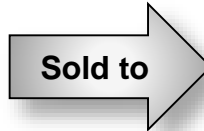
16.9x

...decline in value of profits as EBITDA metrics still tightly track sales multiples



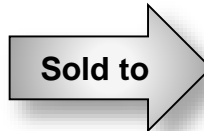
Vertical Software Market

Deal Spotlight: FinTech



Target: Columbus Data Services
Acquirer: Cardtronics
Transaction Value: \$80M

- Provides Cardtronics with a blanket-coverage of independent and chain markets



Target: Softgate Systems
Acquirer: TIO Networks [Canada]
Transaction Value: \$31M

- Should bolster TIO's position as North America's largest walk-in bill payment network

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Vertical Software Market

Deal Spotlight: FinTech

Since Q2

Aug. 2015

Corum Analysis

EV



Sold to



Target: Coin Republic [Singapore]

Acquirer: meXBT [Mexico]

- Allows cross-border exchanges between Mexico and Asia using Bitcoin



EV

EBITDA

value of
EBITDA
metrics still tightly
track sales multiples



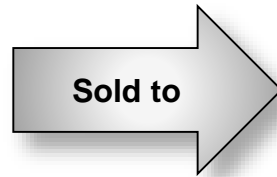
Vertical Software Market

Deal Spotlight

Since Q2

Aug. 2015

Corum Analysis



DESCARTES™

Target: MK Data
Acquirer: Descartes [Canada]
Transaction Value: \$76M

- Denied party screening expands Descartes' Global Logistics Network, the foundation of its applications & community

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EBITDA

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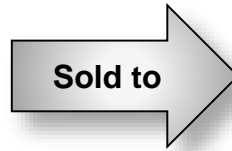
metrics still tightly
track sales multiples



Vertical Software Market

Deal Spotlight: Healthcare

Altegra Health 



 emdeon®

Target: Altegra Health
Acquirer: Emdeon
Transaction Value: \$910M

- Largest healthcare tech acquisition of 2015



Vertical Software Market

Deal Spotlight: Healthcare



Sold to



Target: Pyramid Healthcare Solutions
Acquirer: Anthelio

- Adds Pyramid's HIMS and RCM expertise to Anthelio's broad health IT solutions



Sold to



Target: CECity
Acquirer: Premier
Transaction Value: \$400M

- Pay-for-Value reporting SaaS platform



Vertical Software Market

Deal Spotlight: Healthcare

MERGE[®]
Healthcare

Sold to

IBM



Target: Merge Healthcare
Acquirer: IBM
Transaction Value: \$705M

- Step toward IBM Watson's capabilities to identify cancer, heart disease and other ailments by analyzing photos



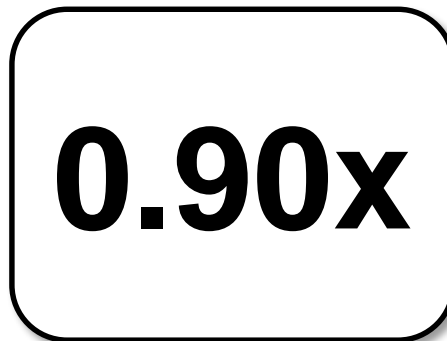
IT Services Market

Public Valuation Multiples

Since Q2

Aug. 2015

Corum Analysis



Steady growth in valuations since Q3 2014



Uptick matches sales valuation growth, climbing to historic highs

Mega Deals – YTD 2015

telx

Sold to



DIGITAL REALTY

Target: Telx Group
Acquirer: Digital Realty Trust
Transaction Value: \$1.9B



<p>KOFAX LEXMARK \$1.0B</p>	<p>ORBITZ EXPEDIA \$1.4B</p>	<p>bwin.party 888 \$1.4B</p>	<p>telx DIGITAL REALTY \$1.9B</p>	<p>XOOM PAYPAL \$1.1B</p>	<p>virtustream EMC² \$1.2B</p>
<p>lynda.com LINKEDIN \$1.5B</p>	<p>SNDA \$1.9B</p>	<p>H3C UNIS \$2.3B</p>	<p>FUNDTECH D+H \$1.3B</p>	<p>AXIS CANON \$2.8B</p>	<p>websense RAYTHEON \$1.9B</p>
<p>informatica PERMIRA \$5.3B</p>	<p>AOL. VERIZON \$4.4B</p>	<p>TelecityGroup EQUINIX \$3.6B</p>	<p>DOMINO BROTHER \$1.6B</p>	<p>ARUBA HP \$3.0B</p>	<p>OmniVision 华创投资 HUA CAPITAL \$1.9B</p>
<p>HORIZONTAL</p> <p>\$6.3B</p>	<p>INTERNET</p> <p>\$7.3B</p>	<p>CONSUMER</p> <p>\$17.1B</p>	<p>IT SERVICES</p> <p>\$11.8B</p>	<p>VERTICAL</p> <p>\$27.8B</p>	<p>INFRASTRUCTURE</p> <p>\$126.4B</p>
		<p>Telefonica O₂ HUTCHISON WHAMPONG \$13.8B</p>	<p>PACE ARRIS \$2.1B</p>	<p>COMMSCOPE \$3.0B</p>	<p>BLUE COAT BainCapital \$2.4B</p>
		<p>IGATE CAPGEMINI \$4.0B</p>	<p>SNL MCGRAW HILL FINANCIAL \$2.2B</p>	<p>EXELIS HARRIS \$4.8B</p>	
			<p>ADVENT SSB²C \$2.5B</p>	<p>VERITAS CARLYLE GROUP GIC \$8.0B</p>	
			<p>Wood Mackenzie VERISK ANALYTICS \$2.8B</p>	<p>freescalar NXP \$11.8B</p>	
			<p>DJI COX ENTERPRISES \$4.0B</p>	<p>EE BT \$15.4B</p>	
			<p>elster HONEYWELL \$5.1B</p>	<p>NOKIA ALICATEL-LUCENT \$16.5B</p>	
			<p>SUNGARD FIS \$5.1B</p>	<p>ATERA INTEL \$16.7B</p>	
				<p>BROADCOM AVAGO TECHNOLOGIES \$37.0B</p>	



IT Services Software Market

Deal Spotlight

Since Q2

Aug. 2015

Corum Analysis

ATIG
MCPc
architects of the workplace™

Sold to


LOGICALIS

Target: Advanced Technology Integration Group (MCPc)

Acquirer: Logicalis (Datatec) [UK]

Transaction Value: \$42M

- Expands Logicalis' presence to Midwestern markets
- Adds Logicalis domain expertise in data center, collaboration and cloud solutions while MCPc will focus on its end customer enterprise offerings and continue partnering with ATIG.



IT Services Software Market

Deal Spotlight: Konica



Target: Hershey Technologies
Acquirer: Konica [Japan]

- SharePoint document management
- Strengthens Konica's ECM portfolio of solutions



Target: Webcom [Czech Republic]
Acquirer: Konica [Japan]

- Information systems on Microsoft Dynamics AX, NAV and CRM
- Boosts Konica's position as a true IT Services provider



IT Services Software Market

Deal Spotlight

Since Q2

Aug. 2015

Corum Analysis

home.pl

Sold to

**united
internet**

1&1

Target: Home.pl [Poland]

Acquirer: 1&1 (United Internet) [Germany]

Transaction Value: \$149M

- Largest web hosting provider in Poland



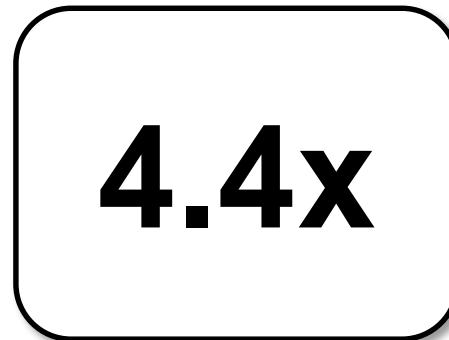
Internet Market

Public Valuation Multiples

Since Q2

Aug. 2015

Corum Analysis



Dropping from Q2 2015 but still well above other sectors



Varies around February level, supported now by e-commerce consolidation



Internet Software Market

Deal Spotlight: Rakuten

voyagin.

Sold to

R Rakuten

Target: Voyagin [Singapore]
Acquirer: Rakuten [Japan]

- Expands Rakuten's hotel and flight booking platform to include tour planning

EV

Fits.me
Virtual Fitting Room

Sold to

R Rakuten

Target: Fits.me (Massi Milano) [UK]
Acquirer: Rakuten [Japan]

- Virtual fitting room tech enhancing Rakuten's eCommerce marketplace

EV

E



Internet Software Market

Deal Spotlight

Since Q2

Aug. 2015

Corum Analysis

twice

Sold to

ebay

Target: Twice
Acquirer: eBay

- Online consignment shop for women's clothing

from Q2
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Internet Software Market

Deal Spotlight

Since Q2

Aug. 2015

Corum Analysis

POLYVORE

Sold to

YAHOO!

Target: Polyvore
Acquirer: Yahoo
Transaction Value: \$200M

- Online shopping recommendation website for women's fashion

from Q2
well
sectors

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Alphabet

Google™

Profitable



Web search engine



Google Maps



Google Apps

Cloud collaboration tools



Video-sharing website



Google play

Digital distribution platform

Google AdSense

Context advertising service



Mobile OS

Other Businesses

Visionary

nest

Smart home products

Google fiber

Providing super-fast Internet

Google^[x]

Self-driving cars & other breakthroughs



Calico: Human lifespan research

Google capital

Invests in long-term tech trends

Google ventures

Funding for bold new companies

sidewalk LABS

Improving urban living

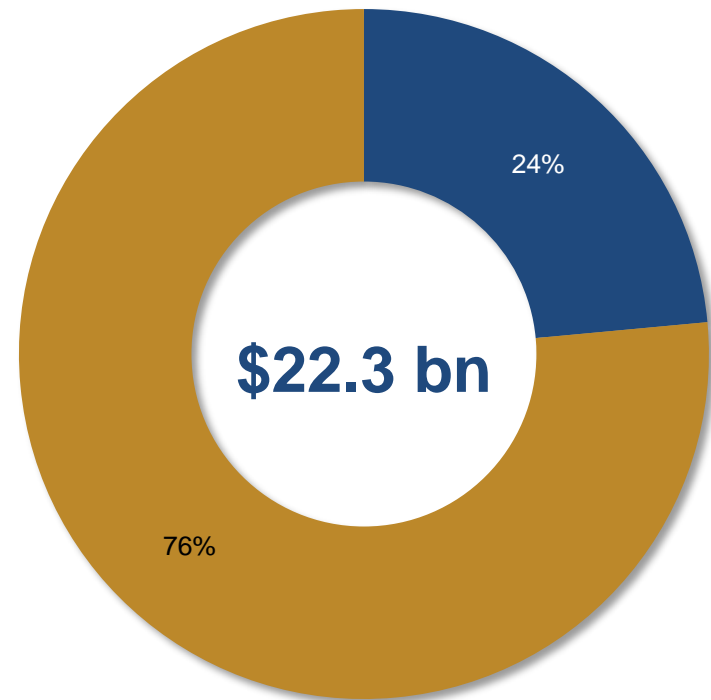
Google™ vs Alphabet acquired companies

By volume, 2010-2015



■ Google ■ Alphabet

By value, 2010-2015*



■ Google ■ Alphabet

*Disclosed and estimated values only

Corum Research Report



Elon Gasper
Vice President,
Director of Research



Yasmin Khodamoradi
Analyst

China Analysis



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.

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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.

Corum China Advisory Board



Cecilia Yuan

Investment Analyst,
Rochester Angel Network;
China Merchants Securities



Benjamin Xu

Chairman of XCapital
Management, China;
Intel, Disney, DFJ Draper.



Ping Luo

Pearson Global; Founder,
PivotLink; Pactera
Microsoft Business Group



Sean Liu

Partner, Capital First
Partners, Shanghai;
President, HMG.



Corum China Advisory Board



Cecilia Yuan



Benjamin Xu

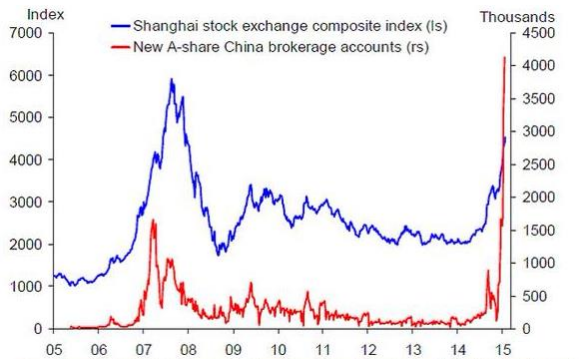


Ping Luo



Sean Liu

Chinese individual investors

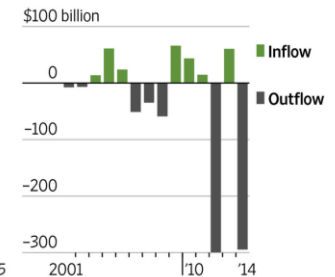


Chinese currency flow

Change in yuan's value against a basket of major currencies* (2010=100)



Capital flows in China



Chinese Markets Report



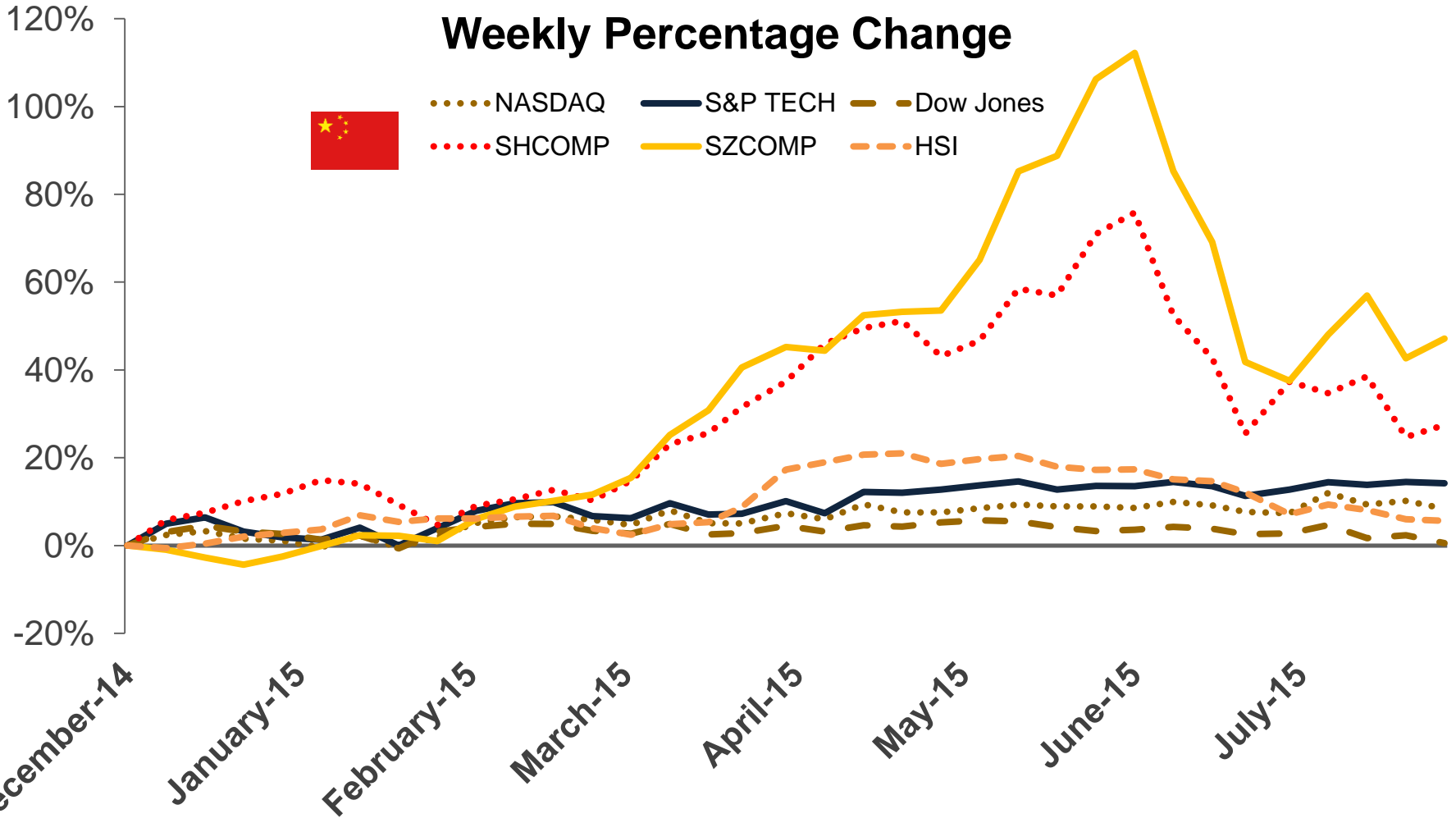
Yasmin Khodamoradi
Analyst

Yasmin joined Corum Group in 2015 as a research analyst. Previously she worked as a finance and operations coordinator at a financial technology startup and provided consultation services to an institutional investing advisory firm.

Yasmin graduated from the Foster School of Business at the University of Washington, specializing in Finance and International Business.

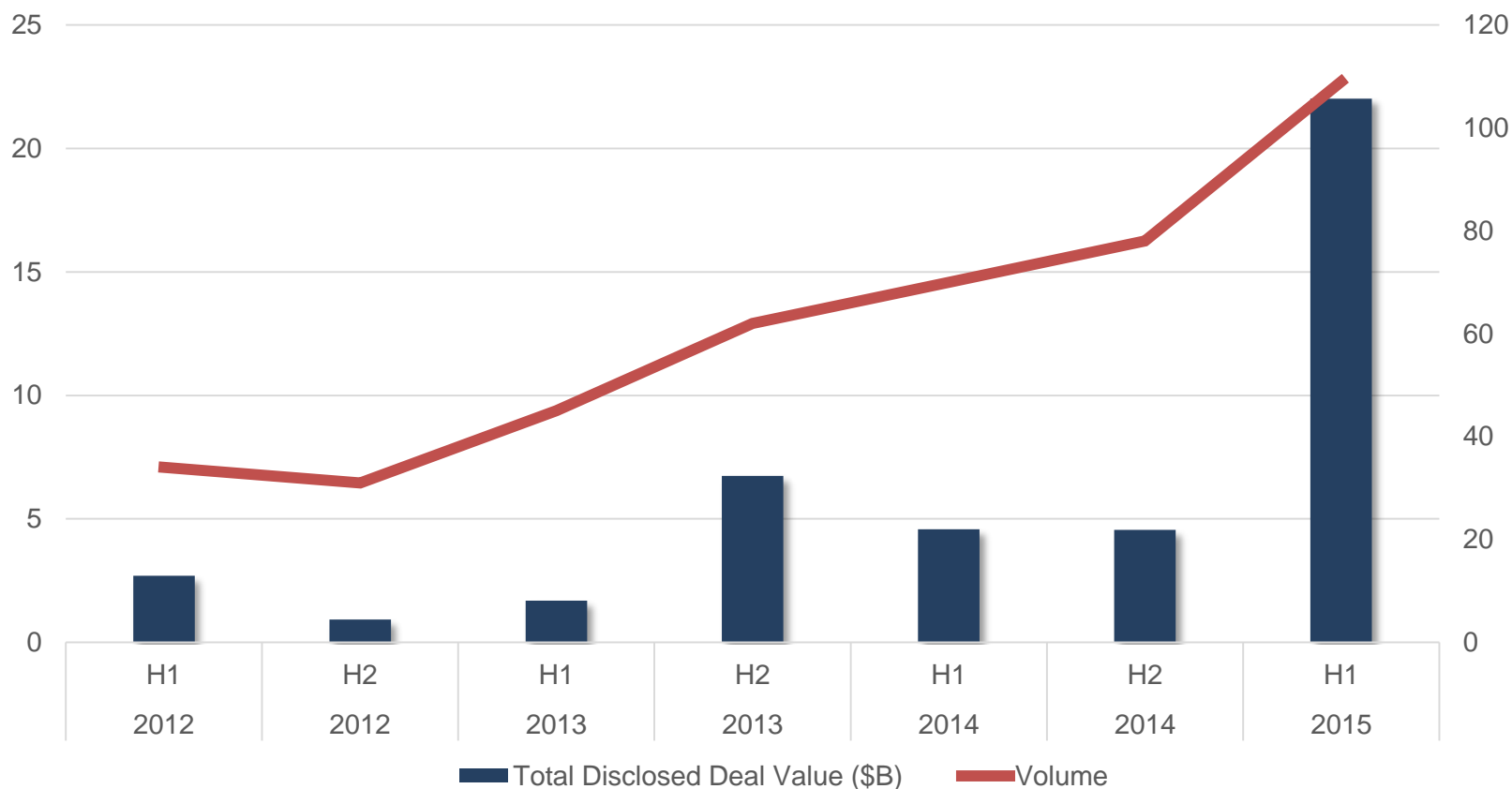
Public Markets

Weekly Percentage Change

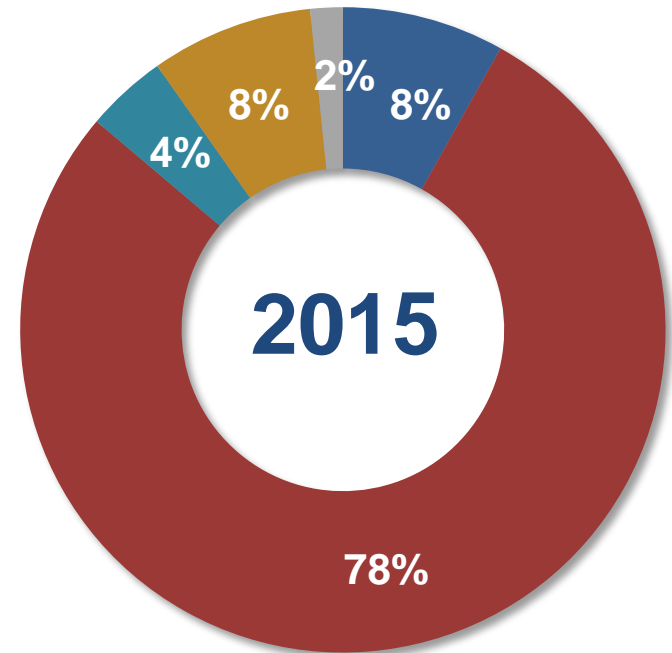
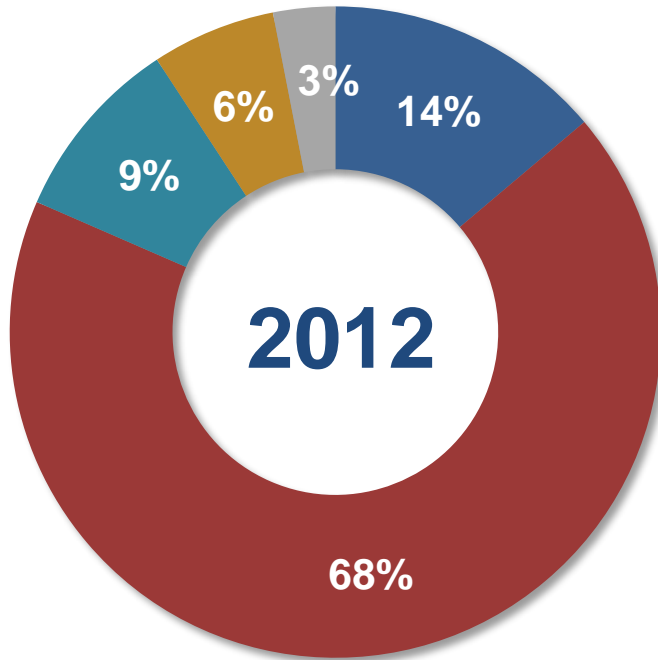


Tech M&A Activity in China

Deal Volume & Value by Chinese Acquirers

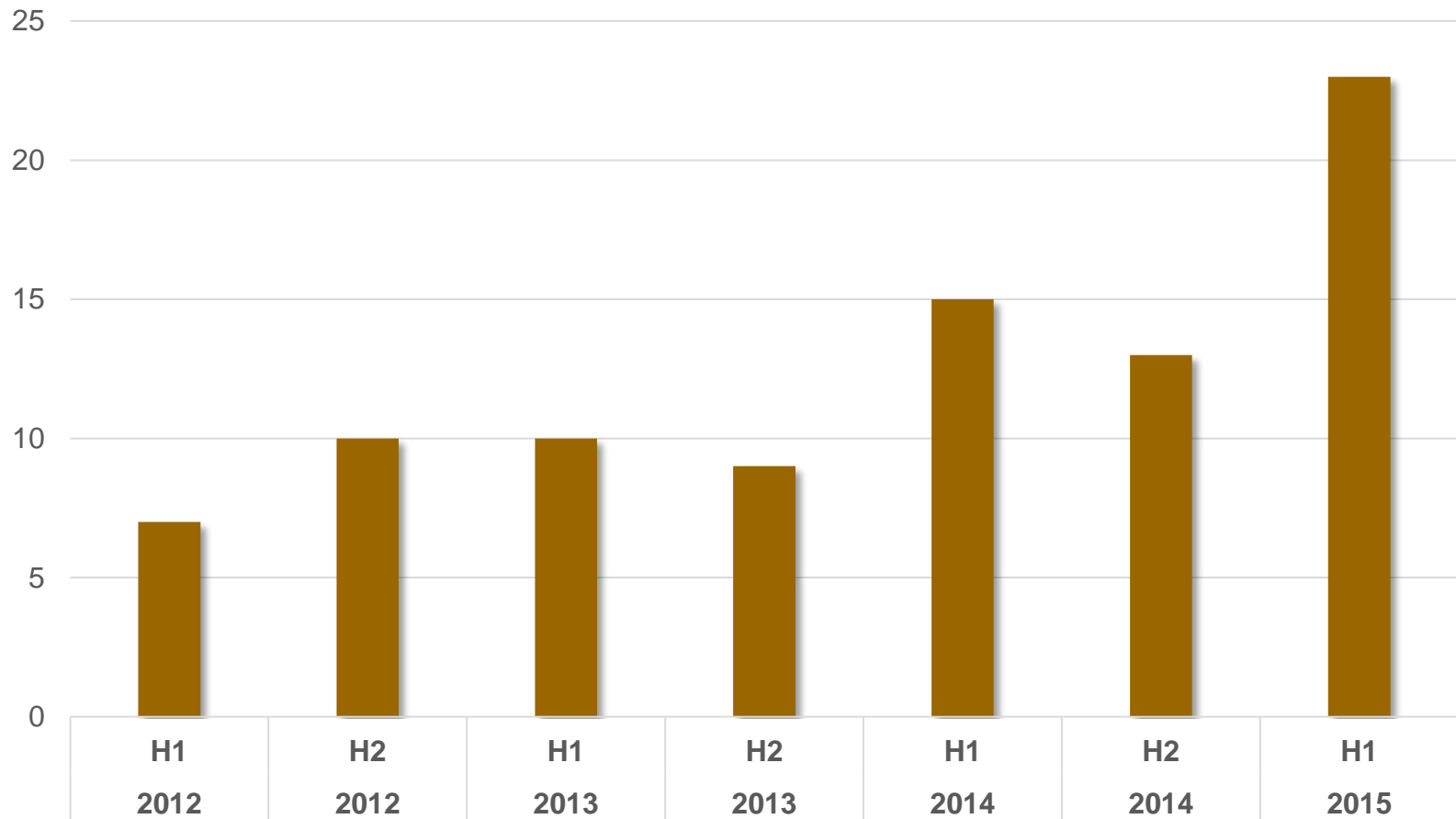


Chinese Acquisitions by Region



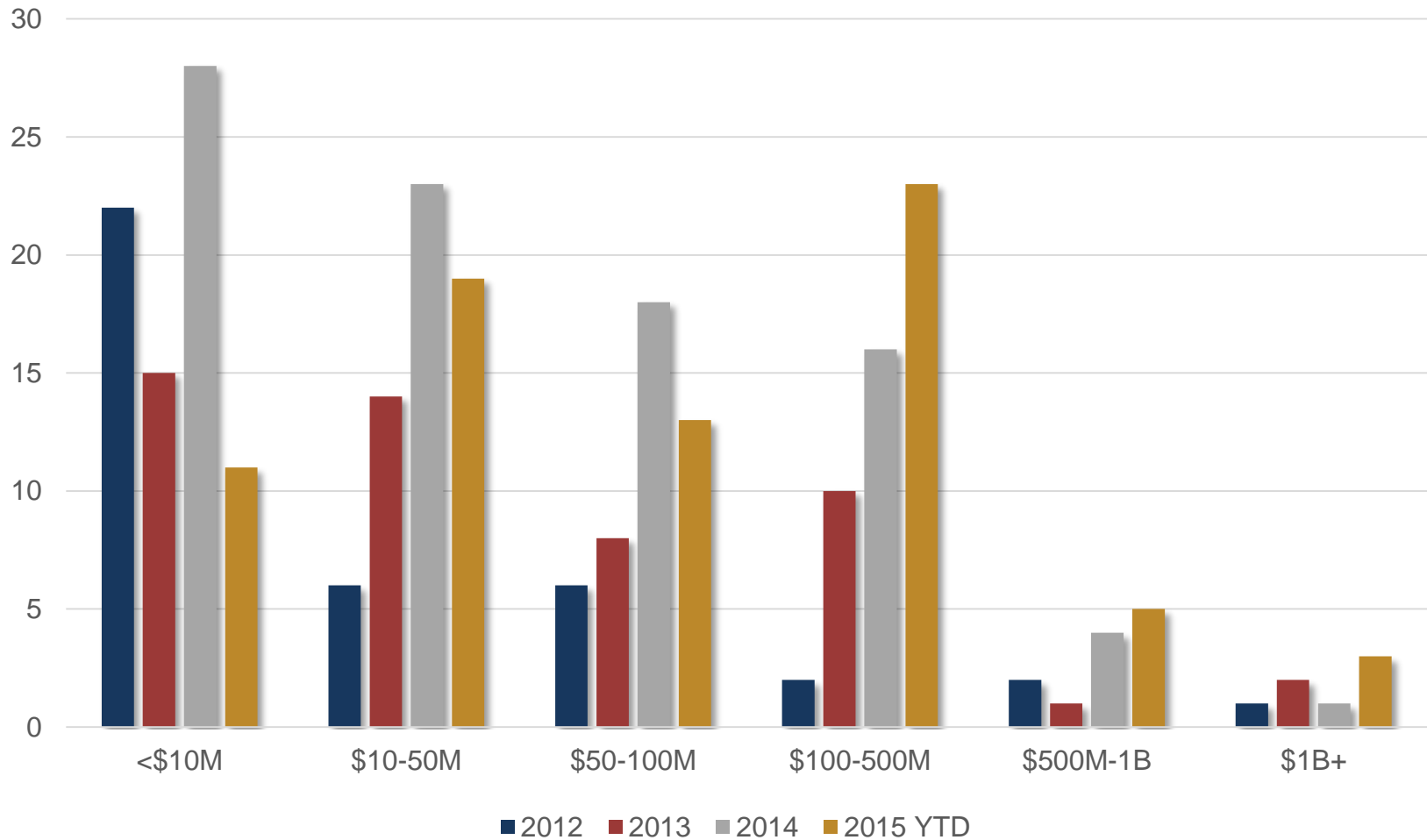
- North America
- China
- Other Asia
- Europe
- Other

Chinese Cross-Border Acquisitions

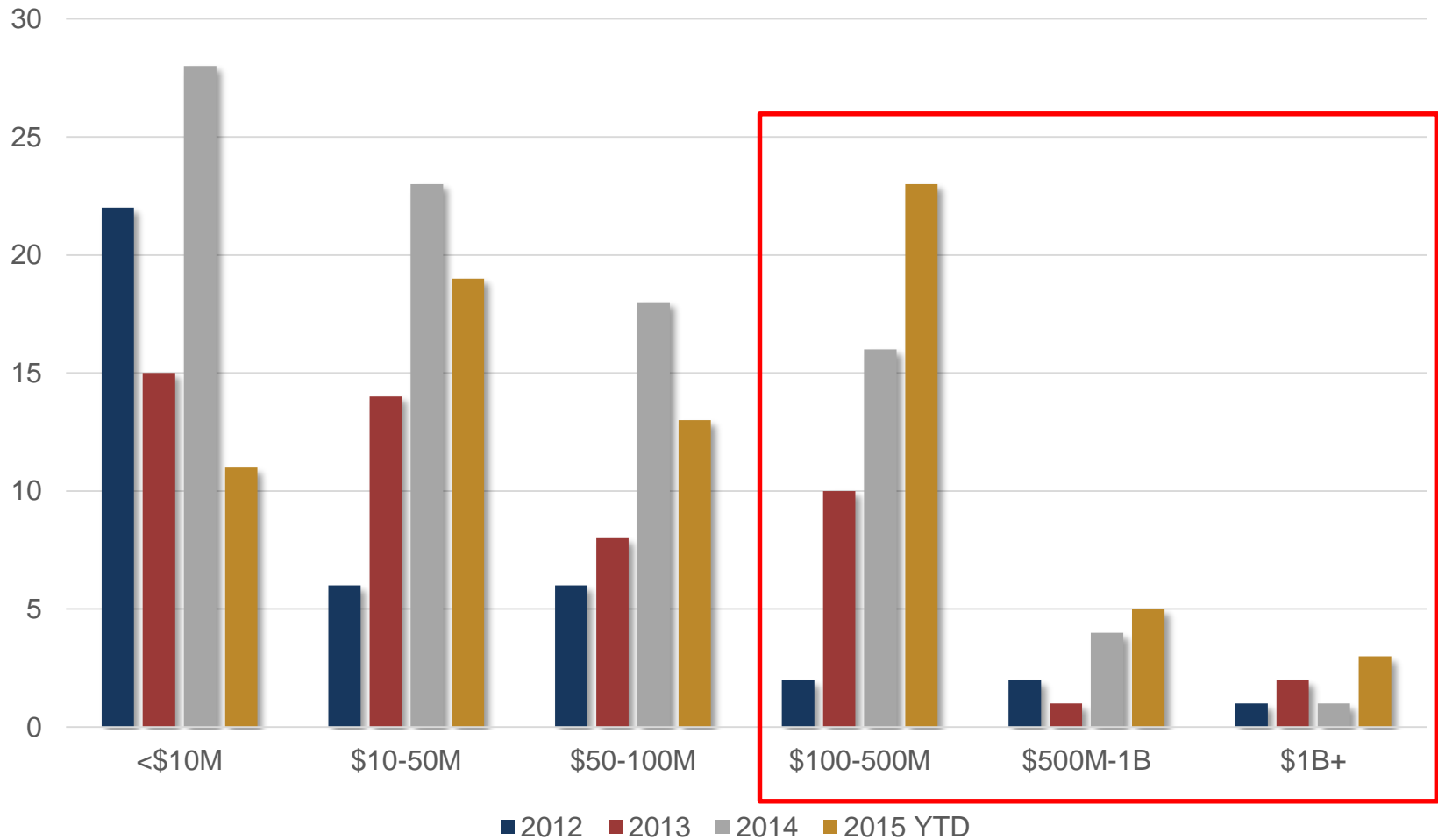


Source: Capital IQ & 451 Research **CORUM**

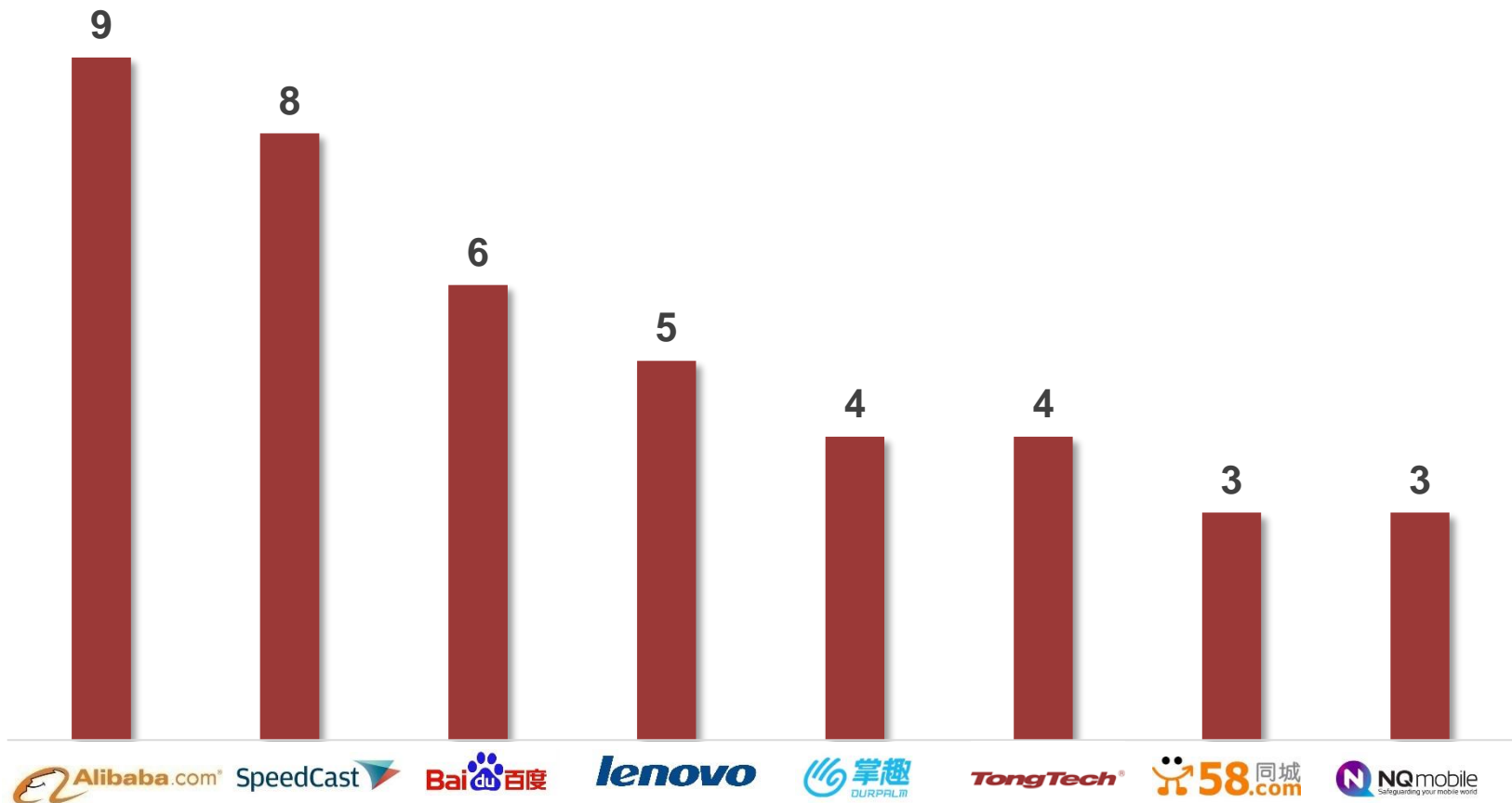
Deal Value Distribution



Deal Value Distribution



Top Chinese Tech Buyers by Deal Count (2012-2015)



Source: Capital IQ & 451 Research CORUM

China Deals

Deal Spotlight: SpeedCast



Sold to



Target: Geolink Satellite Services [France]
Acquirer: SpeedCast [Hong Kong]
Transaction Value: \$8.4 million



Sold to



Target: Hermes Datacomms [United Kingdom]
Acquirer: SpeedCast [Hong Kong]
Transaction Value: \$36.9 million



Sold to



Target: NewSat Ltd. [Australia]
Acquirer: SpeedCast [Hong Kong]
Transaction Value: \$8.9 million

China Deals

Deal Spotlight: 58.com

安居客
anjuke.com

Sold to

 **58.同城**
58.com

Target: Anjuke.com [China]

Acquirer: 58.com [China]

Transaction Value: \$266 million

ganji 赶集

Invested in

 **58.同城**
58.com

Target: Beijing Feixangren Information Technology (ganji.com) [China]

Acquirer: 58.com [China]

Transaction Value: \$1.56 billion

China Deals

Deal Spotlight: Ourpalm



Sold to



Target: Beijing Tianma Shikong Network Technology Co [China]

Acquirer: Ourpalm [China]

Transaction Value: \$431 million



Sold to



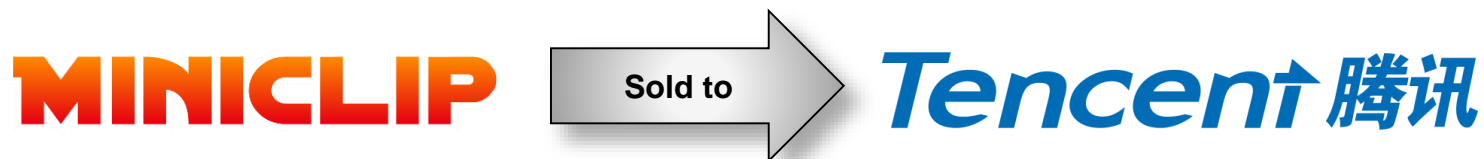
Target: Blingstorm Entertainment Limited [China]

Acquirer: Ourpalm [China]

Transaction Value: \$343 million

China Deals

Deal Spotlight: Cross-Border



Target: Tencent [China]

Acquirer: Miniclip [France]

Transaction Value: Undisclosed

- European Flash and mobile game publisher with 70 million strong audience
- Expands presence in European market

China Deals

Deal Spotlight: ?



Target: Beijing Xiaoju Keji (Didi Dache) [China]

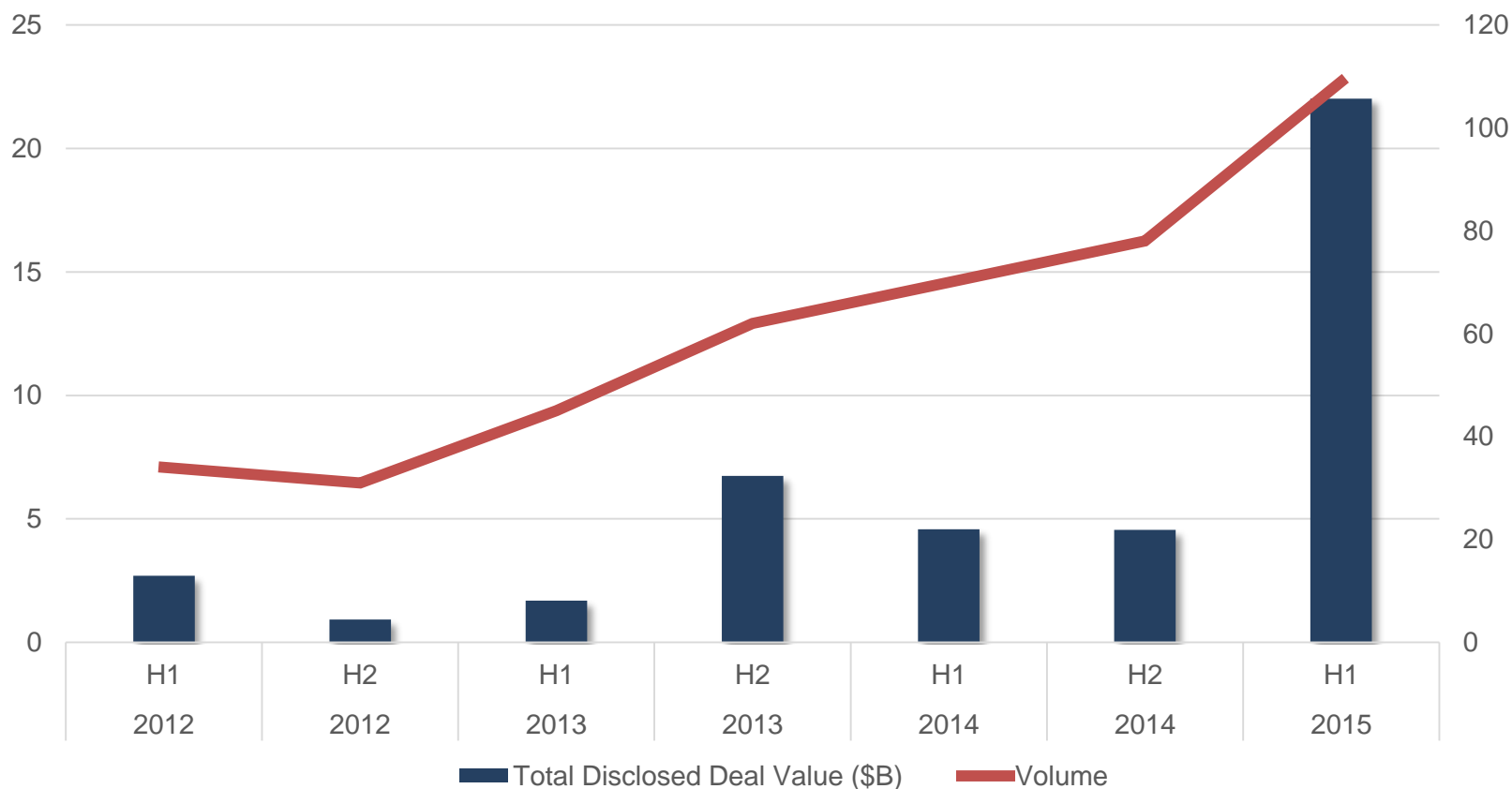
Acquirer: Hangzhou Kuaizhi Technology Co (Kuaidi Dache) [China]

Transaction Value: Undisclosed

- Taxi-hailing app serving 3 million car requests daily
- Joined entity will have 90% market share for ride-booking apps

Tech M&A Activity in China

Deal Volume & Value by Chinese Acquirers



Special Guest: James Schmalz



Jim Perkins
Vice President
Corum Group, Ltd.



James Schmalz
Founder
Digital Extremes



Q&A

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

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.”

Aug. 20: **Seattle** – MB
Aug. 25: **Nashua** – MB
Aug. 26: **Portland, ME** – MB
Sep. 1: **Salt Lake City** – MB
Sep. 15: **Edinburgh** – MB
Sep. 16: **Dublin** – SUSO
Sep. 16: **Toronto** – MB
Sep. 22: **Bellevue** – SUSO

Sep. 23: **Bucharest** – MB
Sep. 24: **Sofia** – MB
Sep. 30: **Columbus** – MB
Oct. 8: **Reykjavik** – MB
Oct. 13: **Madrid** – MB
Oct. 13: **Sacramento** – SUSO
Oct. 29: **Minneapolis** – MB
Nov. 5: **Vancouver** – MB

www.CorumGroup.com/Events

CORUM

After the Deal – Celebration





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