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CORUM

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…

CORUM

Merge Briefing

- 90 Minutes

- Industry Update

- Overview of the M&A Process

- Upcoming events in:

▪ Portland, ME	▪ Wellington
▪ Burlington	▪ Atlanta
▪ Nashua	▪ Columbus
▪ Phoenix	▪ Sacramento
▪ Ottawa	
▪ Montreal	

MERGE BRIEFING

CORUM

Selling Up, Selling Out

- Half-Day

- Tech M&A Bootcamp

- The most attended tech executive conference in history

- Upcoming events in:

  - Salt Lake City

  - Austin

  - Dallas

  - Houston

CORUM
SELLING UP
SELLING OUT

8 Stages for an
Optimal Outcome

1

| Preparation | Research | Contact | Discovery | Negotiation | Due Diligence | Closing | Integration |

Typical Negotiation Flow

Discovery process is complete

Seller presents valuation guidance

Buyer delivers an opening offer

Seller delivers counter offer

CORUM

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."

- **Berlin** – MB
- **Portland, ME** – MB
- **Burlington** – MB
- **Nashua** – MB
- **Phoenix** – MB
- **Ottawa** – MB
- **Montreal** – MB

- **Salt Lake City** – SUSO
- **Austin** – SUSO
- **Minneapolis** – MB
- **Austin** – SUSO
- **Dallas** – SUSO
- **Houston** – SUSO
- **Wellington**– 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 July 17, 12:30am PT, and 8:00am PT
    - See "Conferences and Events" at MergersAndAcquisitions.webex.com

CORUM

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.

CORUM

Agenda

- Welcome

- Field Reports

  - Decade Software acquired by Accela

  - QQ Solutions acquired by Vertafore

- Event Spotlights

- H1 2015 Research Report

- Top Ten Disruptive Tech Trends 2015 Update

- Q&A

CORUM

Field Report

Ward Carter
Chairman
Corum Group Ltd.

Corum's former President and now Chairman, Ward Carter's technology background includes a variety of management positions with the Burroughs Corporation (later Unisys). Then, as vice president of a Wall Street investment firm and as principal in a regional venture firm, he raised capital for ventures in computer hardware, software, and biotechnology. As an executive for a Seattle-based archival storage software company, he attracted venture capital and assisted with the eventual acquisition of the company by a larger competitor. As president of InfoMatrix, and later Discovery Sales + Marketing, Ward provided strategic consulting support to emerging software companies.

He joined Corum in 1997, has successfully managed numerous software company mergers and acquisitions worldwide, was appointed President in 2006 and Chairman in 2010. He graduated with Honors from Seattle University with a B.A. in Business.

Decade Software acquired Accela

- EHS SaaS for State & County Governments

- Strong California customer base

- Acquired by Accela, fast-growing civic solutions leader

QQ Solutions acquired by Vertafore

- Insurance Agency Management SaaS

- Focus on small-to-midsized agencies

- 70% YoY growth

- Ideal match to Vertafore's mid-to-large enterprise SaaS

Vertafore

has acquired

QQSOLUTIONS

Corum acted as the exclusive advisor to QQ Solutions

CORUM
MERGERS & ACQUISITIONS

CORUM
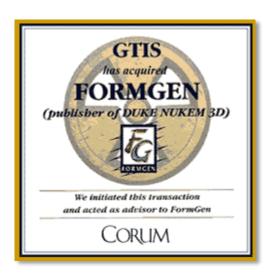
Special Guest: Mario Vassaux

GTIS
has acquired
FORMGEN
(publisher of DUKE NUKEM 3D)

We initiated this transaction
and acted as advisor to FormGen

CORUM

Upcoming Events

- Tech Open Air/ Corum Merge Briefing – July 17, Berlin

- Internet of Things Market Spotlight – July 28, Webcast

- Casual Connect – August 11-13, San Francisco

Upcoming Corum Conferences

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.

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- **Ottawa** – MB
- **Montreal** – MB

- **Salt Lake City** – SUSO
- **Austin** – SUSO
- **Minneapolis** – MB
- **Austin** – SUSO
- **Dallas** – SUSO
- **Houston** – SUSO
- **Wellington**– MB

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Corum Research Report

Elon Gasper
Vice President,
Director of Research

Amber Stoner
Senior Analyst

Aaron King
Analyst

Yasmin Khodamoradi
Analyst

Artem Mamaiev
Analyst

CORUM

Public Markets

Weekly Percentage Change

NASDAQ · · · · · · S&P TECH ──── Dow Jones ─ ─ ─

Public Markets

Weekly Percentage Change

NASDAQ S&P TECH Dow Jones
SHCOMP SZCOMP

5 Reasons Tech M&A Remains Strong

- Strong financial markets

- Low debt cost for leveraged buyouts

- Cash – strategic & financial buyers (nearly $2T)

- New buyers (IPOs and non-tech acquirers)

- Disruptive trends – Strategic imperative to buy
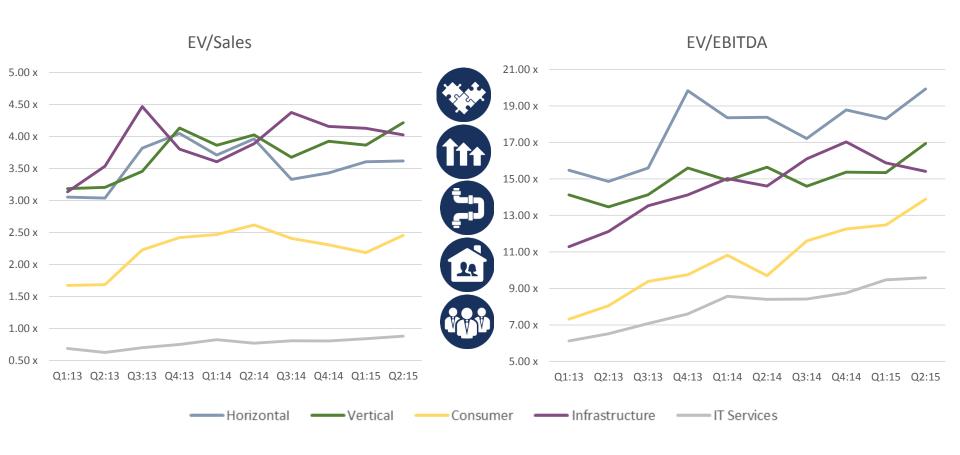
Macro view: 3 Longest* Bull Market Runs

	Start	End	Years
Dotcom Bubble	Oct. 11, 1990	Mar. 24, 2000	9.5
Postwar Boom	Jun. 13, 1949	Aug. 2, 1956	7.1
Current	**Mar. 9, 2009**	**?**	**6.3**

*Since the Great Depression. Source: S&P Capital IQ, The Associated Press

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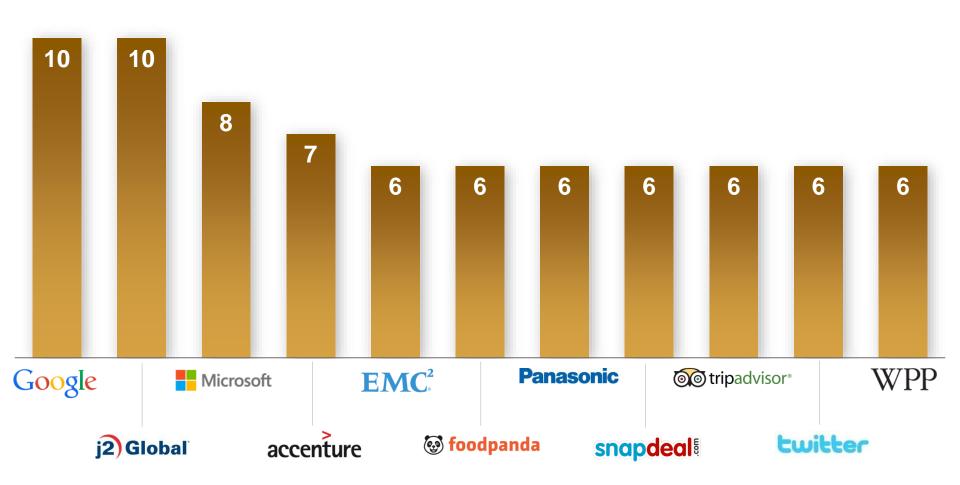
Market Valuations

Top Strategic Acquirers – 1H:2015

Google / j2 Global		Microsoft	accenture	EMC²	foodpanda	Panasonic	snapdeal.com	tripadvisor	twitter	WPP
10	10	8	7	6	6	6	6	6	6	6

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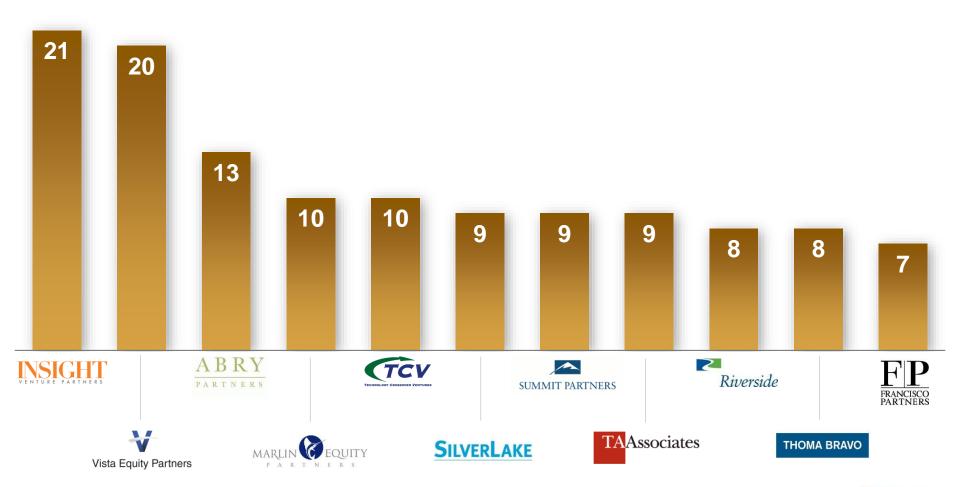
J2 Global Acquisitions 1H 2015
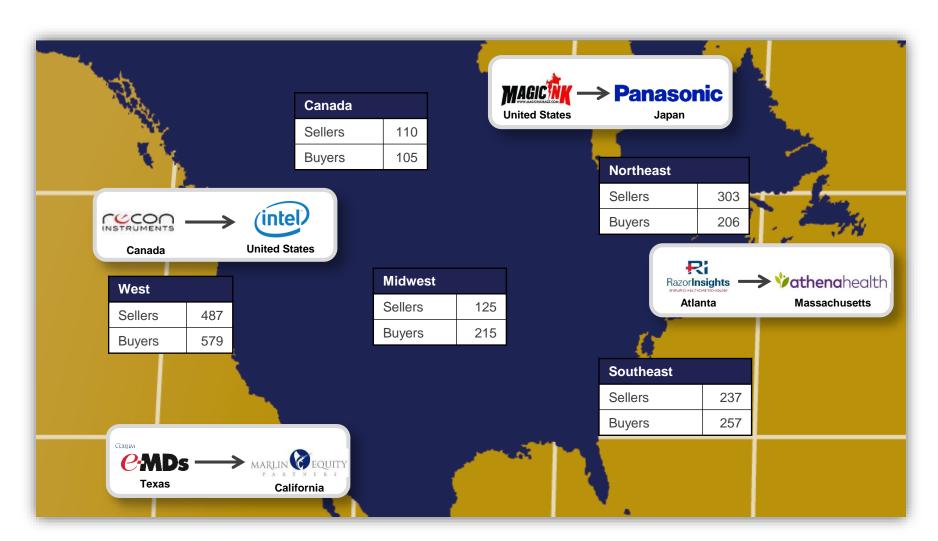
Top Private Equity Acquirers – 1H:2015

INSIGHT VENTURE PARTNERS	21
Vista Equity Partners	20
ABRY PARTNERS	13
MARLIN EQUITY PARTNERS	10
TCV TECHNOLOGY CROSSOVER VENTURES	10
SILVERLAKE	9
SUMMIT PARTNERS	9
TA Associates	9
Riverside	8
THOMA BRAVO	8
FP FRANCISCO PARTNERS	7

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Europe

Sellers	505
Buyers	427

Asia

Sellers	207
Buyers	227

North America

Sellers	1263
Buyers	1363

Mideast/Africa

Sellers	39
Buyers	20

Latin America

Sellers	30
Buyers	10

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North American Deals

Latin American Deals

Latin America	
Sellers	30
Buyers	10

Gapso *analytics* → accenture
Brazil — Ireland

Neolog → TOTVS
Brazil — Brazil

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European Deals

Finland → **Ireland** (CabForce → cartrawler)

Nordics	
Sellers	58
Buyers	51

Netherlands → **United Kingdom** → **Japan** (Treatwell → wahanda → RECRUIT)

Western Europe	
Sellers	420
Buyers	362

Eastern Europe	
Sellers	27
Buyers	14

Bulgaria → **United Kingdom** (despark → Paperhat Group)

Germany → **Ireland** (Simons Voss technologies → ALLEGION)

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Asian Deals

China	
Sellers	27
Buyers	31

India	
Sellers	71
Buyers	72

Far East	
Sellers	18
Buyers	40

SE/Oceania	
Sellers	91
Buyers	61

H3C **China** → UNIS **China**

zipdial **India** → twitter **United States**

MATCH **Australia** → PUBLICIS GROUPE **France**

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Corum Index

	1H:2014	1H:2015
# of Transactions	1811	2068
# of Mega Deals	19	29
Largest Deal	$19.0B	$37.0B
Private Equity Deals	99	105
# VC backed Exits	360	339
% Cross Border Transactions	33%	33%
% of Startup Acquisitions	11%	11%
Average Life of Target	15	14

Mega Deals – YTD 2015

					BROADCOM / AVAGO $37.0B
					ALTERA / intel $16.7B
					Alcatel-Lucent / NOKIA $16.5B
					EE / BT $15.4B
					freescale / NXP $11.8B
					EXELIS / HARRIS $4.8B
				dj / COX ENTERPRISES $4.0B	TE / COMMSCOPE $3.0B
				Wood Mackenzie / verisk Analytics $2.8B	ARUBA networks / hp $3.0B
				ADVENT / SS&C $2.5B	AXIS COMMUNICATIONS / Canon $2.8B
				Pace / ARRIS $2.1B	BLUE COAT / BainCapital $2.4B
		Aol. / verizon $4.4B	IGATE / Capgemini $4.0B	DOMINO / brother $1.6B	OmniVision / HUA CAPITAL $1.9B
informatica / PERMIRA $5.3B	Telefónica O2 / Hutchison Whampoa $13.8B	lynda.com / LinkedIn $1.5B	TelecityGroup / EQUINIX $3.6B	FUNDtech / D+H $1.3B	websense / Raytheon $1.9B
KOFAX / LEXMARK $1.0B	SNDA $1.9B	ORBITZ WORLDWIDE / Expedia $1.4B	H3C UNIS $2.3B	XOOM / PayPal $1.1B	virtustream / EMC² $1.2B
HORIZONTAL	**CONSUMER**	**INTERNET**	**IT SERVICES**	**VERTICAL**	**INFRASTRUCTURE**
$6.3B	**$15.7B**	**$7.3B**	**$9.9B**	**$15.4B**	**$118.4B**

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Mega Deals – YTD 2015

Target: Broadcom
Acquirer: Avago Technologies
Transaction Value: $37 billion

Category	Value
BROADCOM / AVAGO TECHNOLOGIES	$37.0B
ALTERA / intel	$16.7B
NOKIA / Alcatel-Lucent	$16.5B
EE / BT	$15.4B
freescale semiconductor / NXP	$11.8B
EXELIS / HARRIS	$4.8B
TE connectivity / COMMSCOPE	$3.0B
ARUBA networks / hp	$3.0B
AXIS COMMUNICATIONS / Canon	$2.8B
BLUE COAT / BainCapital	$2.4B
OmniVision / HUA CAPITAL	$1.9B
websense / Raytheon	$1.9B
virtustream / EMC²	$1.2B

VERTICAL
- dJ / COX ENTERPRISES — $4.0B
- Wood Mackenzie / verisk Analytics — $2.8B
- ADVENT / SS&C — $2.5B
- Pace / ARRIS — $2.1B
- DOMINO / brother — $1.6B
- FUNDtech / D+H — $1.3B
- XOOM / PayPal — $1.1B

INTERNET
- AOL / verizon — $4.4B
- lynda.com / LinkedIn — $1.5B
- ORBITZ WORLDWIDE / Expedia — $1.4B

IT SERVICES
- IGATE / Capgemini — $4.0B
- TelecityGroup / EQUINIX — $3.6B
- H3C UNIS — $2.3B

HORIZONTAL
- informatica / PERMIRA — $5.3B
- KOFAX / LEXMARK — $1.0B

CONSUMER
- Telefónica O2 / Hutchison Whampoa — $13.8B
- SNDA — $1.9B

HORIZONTAL	CONSUMER	INTERNET	IT SERVICES	VERTICAL	INFRASTRUCTURE
$6.3B	$15.7B	$7.3B	$9.9B	$15.4B	$118.4B

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Infrastructure Software Market

Public Valuation Multiples

EV/EBITDA

EV/S

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
EV/EBITDA	14.61 x	15.50 x	16.48 x	16.10 x	16.22 x	16.96 x	17.03 x	15.71 x	15.84 x	16.08 x	16.16 x	14.63 x	15.45 x
EV/S	3.89 x	4.07 x	4.27 x	4.37 x	4.73 x	4.34 x	4.16 x	4.12 x	4.03 x	4.23 x	3.88 x	4.05 x	4.14 x

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Infrastructure Software Market
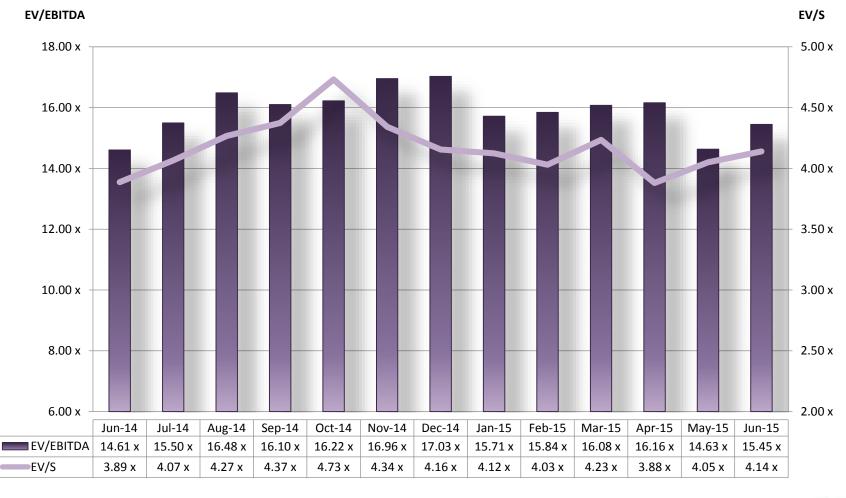
Subsector		Sales	EBITDA	Examples		
Network Management	⬆	4.19x	17.76x	CISCO	JUNIPER NETWORKS	ARISTA
Storage & Hosting	⬇	1.95x	10.68x	NetApp	BROCADE	commvault solving forward
Security	⬆	6.99x	15.46x	gemalto security to be free	Check Point SOFTWARE TECHNOLOGIES LTD.	360 www.360.cn
Endpoint	⬇	3.89x	19.70x	vmware	CITRIX	OPERA software
IT Services Management	⬆	5.07x	10.32x	ca technologies	redhat	servicenow
Other	⬇	5.08x	15.14x	Akamai	software AG	Synchronoss

CORUM

Infrastructure Software Market

Deal Spotlight: Security

Target: nSense A/S [Denmark]
Acquirer: F-Secure [Finland]
Transaction Value: $16.5 million

- Vulnerability assessment & penetration testing software

- Lays a foundation for growth in the cybersecurity market

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Infrastructure Software Market

Deal Spotlight: Security

Target: CyActive [Israel]
Acquirer: PayPal
Transaction Value: $60 million

- Predictive malware detection and prevention cybersecurity software

- Will help jumpstart their new security center in Israel

CORUM

Infrastructure Software Market

Deal Spotlight: Security

Sold to

Target: Privax [UK]
Acquirer: AVG Technologies [Netherlands]
Transaction Value: $40 million

- Free & subscription-based VPN encryption SaaS

- Strengthens expanding mobile security offerings

EV/
EV/S

CORUM

Infrastructure Software Market

Deal Spotlight: Cisco

OpenDNS

Sold to

CISCO

Target: OpenDNS
Acquirer: Cisco
Transaction Value: $635 million

- Network & BYOD threat and breach protection SaaS

- Boosts Cisco's Security Everywhere approach

embrane
Powering the Agile Network

Sold to

CISCO

Target: Embrane Inc.
Acquirer: Cisco
Transaction Value: $55 million (estimated)

- Application-centric network virtualization software

- Adds strong provisioning & management capabilities to their developing virtual network offering

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Infrastructure Software Market

Deal Spotlight: Solarwinds

Target: Librato
Acquirer: SolarWinds Inc.
Transaction Value: $40 million
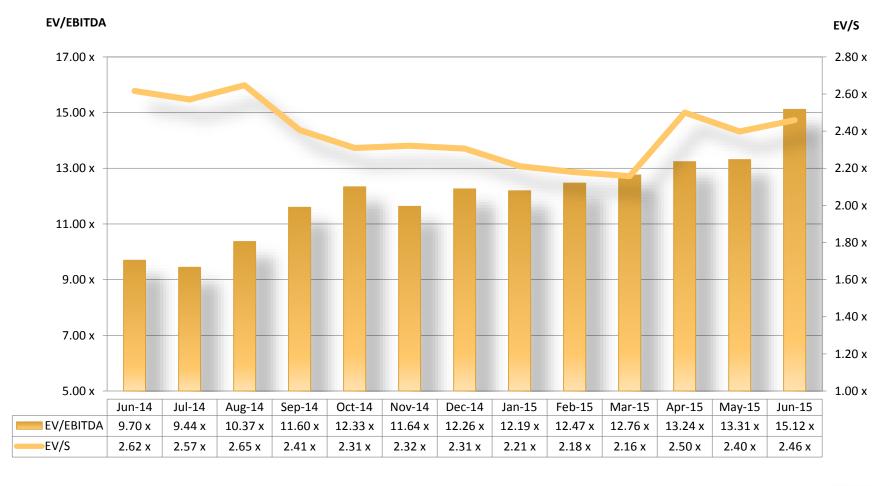
- Real-time operations analytics

Target: Papertrail
Acquirer: SolarWinds Inc.
Transaction Value: $41 million

- Cloud-based log management SaaS
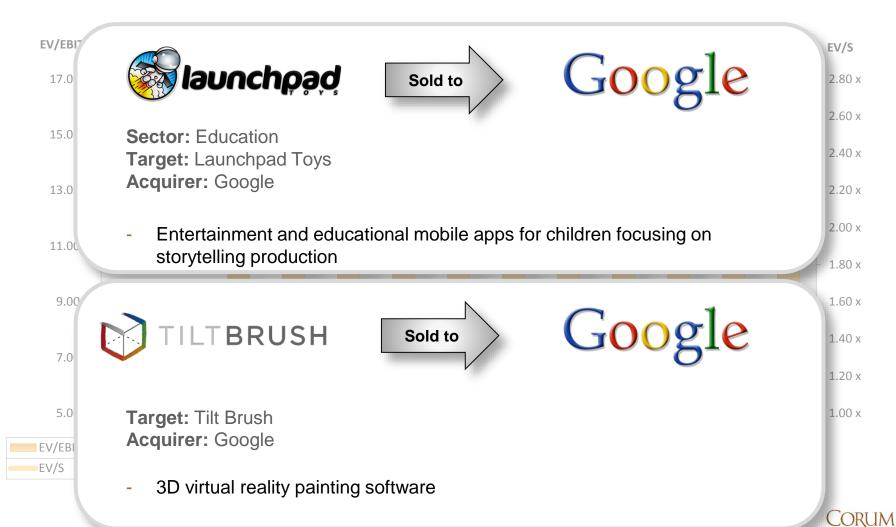
- Their third cloud acquisition since last June

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Consumer Application Software Market

Public Valuation Multiples

EV/EBITDA

EV/S

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
EV/EBITDA	9.70 x	9.44 x	10.37 x	11.60 x	12.33 x	11.64 x	12.26 x	12.19 x	12.47 x	12.76 x	13.24 x	13.31 x	15.12 x
EV/S	2.62 x	2.57 x	2.65 x	2.41 x	2.31 x	2.32 x	2.31 x	2.21 x	2.18 x	2.16 x	2.50 x	2.40 x	2.46 x

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Consumer Application Software Valuations

Subsector		Sales	EBITDA	Examples
Entertainment	⬆	**4.72x**	**56.25x**	NETFLIX youku tudou.com PANDORA internet radio
Gaming	⬆	**2.40x**	**11.24x**	King EA ACTIVISION
Education	⬆	**1.89x**	**17.04x**	Leap Frog Chegg Rosetta Stone

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Consumer Application Software Market

Deal Spotlights: Google

Sector: Education
Target: Launchpad Toys
Acquirer: Google

- Entertainment and educational mobile apps for children focusing on storytelling production

Target: Tilt Brush
Acquirer: Google

- 3D virtual reality painting software

EV/EBIT
17.0
15.0
13.0
11.00
9.00
7.00
5.00

EV/S
2.80 x
2.60 x
2.40 x
2.20 x
2.00 x
1.80 x
1.60 x
1.40 x
1.20 x
1.00 x

EV/EBI
EV/S

CORUM

Consumer Application Software Market

Deal Spotlights: SEGA

EV/EB

17.0

15.0

13.0

11.0

9.0

7.0

5.0

EV/EB

EV/S

EV/S

2.80 x

2.60 x

2.40 x

2.20 x

2.00 x

1.80 x

1.60 x

1.40 x

1.20 x

1.00 x

Target: Auer Media [Taiwan]
Acquirer: SEGA Networks [Japan]

Invested in By

SEGA NETWORKS

– Mobile game researcher, developer, and publisher

Target: Demiurge Studios
Acquirer: SEGA Networks [Japan]

Sold to

SEGA NETWORKS

– Mobile game developer with popular titles like *Marvel Puzzle Quest*

Target: Space Ape [UK]
Acquirer: SEGA Networks [Japan]

Invested in By

SEGA NETWORKS

– Gaming studio with titles like *Samurai Siege*

Target: Ignited Artists
Acquirer: SEGA Networks [Japan]

Sold to

SEGA NETWORKS

– Game startup prototyping its first title

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Consumer Application Software Market

Deal Spotlights: Weight Watchers

Target: Hot5
Acquirer: Weight Watchers

- Mobile 5-minute video workout fitness app

Target: Weilos
Acquirer: Weight Watchers
Transaction Value: $6.7 million

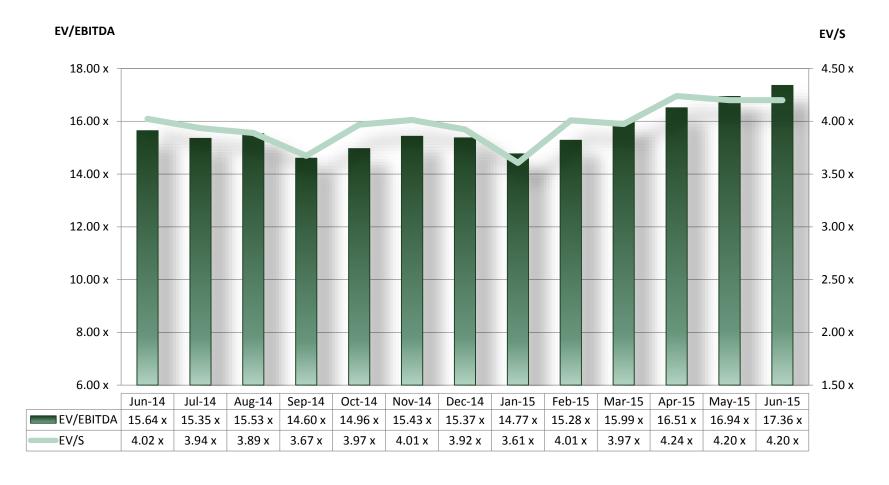- Weight loss community & mobile application

Consumer Application Software Market

Target: Blind Tiger Republic [dba Gymsurfing]
Acquirer: Fitmob

- Gym and fitness club day pass mobile application for traveling consumers

- Adds access to more than 200 gyms in 20 U.S. & Canadian cities

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Vertical Application Software Market

Public Valuation Multiples

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
EV/EBITDA	15.64 x	15.35 x	15.53 x	14.60 x	14.96 x	15.43 x	15.37 x	14.77 x	15.28 x	15.99 x	16.51 x	16.94 x	17.36 x
EV/S	4.02 x	3.94 x	3.89 x	3.67 x	3.97 x	4.01 x	3.92 x	3.61 x	4.01 x	3.97 x	4.24 x	4.20 x	4.20 x

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Vertical Application Software Valuations

Subsector		Sales	EBITDA	Examples		
A/E/C	↓	4.02x	17.73x	AUTODESK.	SYNOPSYS	DASSAULT SYSTEMES
Government	▬	1.43x	10.26x	LOCKHEED MARTIN	NORTHROP GRUMMAN	Raytheon
Healthcare	↑	4.21x	22.48x	Cerner	imshealth INTELLIGENCE APPLIED.	Allscripts
Financial Services	▬	4.20x	16.63x	FIS	Broadridge	fiserv.
Energy & Environment	↑	3.45x	14.51x	Itron	IHS	Schlumberger
Real Estate	↑	10.33x	39.47x	CoreLogic	CoStar Group	Zillow
Automotive	↓	4.49x	25.98x	CDK Global	TRUECar.	BitAuto 易车
Vertical Other	↑	4.60x	16.07x	Rockwell Automation	AMADEUS	Sabre

Vertical Application Software Market

Deal Spotlight: Playtech

Sold to

Target: Trade FX [UK]
Acquirer: Playtech [Isle of Man]
Transaction Value: $224 million

- Online foreign currency exchange and payment processing

Sold to

Target: Plus500 [Israel]
Acquirer: Playtech [Isle of Man]
Transaction Value: $703 million

- Online foreign exchange, commodities, and CFD trading website

Sold to

Target: Ava Trade [Ireland]
Acquirer: Trade FX [UK]
Transaction Value: $105 million

- Online foreign currency exchange, CFD, and bitcoin exchange

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Vertical Application Software Market

Deal Spotlight: Automotive

EV

EB Elektrobit → Sold to → **Continental**

Target: Elektrobit Automotive Oyj [Finland]
Acquirer: Continental AG [Germany]
Transaction Value: $668 million

- Embedded standard software solutions for the automotive sector

- Expands Continental's capabilities in automated driving

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Vertical Application Software Market

Deal Spotlight: Dealer Management

dealertrack technologies → **Sold to** → **COX AUTOMOTIVE™**

Target: Dealertrack Technologies
Acquirer: Cox Automotive
Transaction Value: $4 billion

- Dealer management and inventory solutions for the automotive retail industry

- Establishes Cox as #1 automotive inventory management provider

HORIZONTAL	CONSUMER	INTERNET	IT SERVICES	VERTICAL	INFRASTRUCTURE
					BROADCOM Avago $37.0B
					ALTERA intel $16.7B
					Alcatel-Lucent NOKIA $16.5B
					EE BT $15.4B
					freescale NXP $11.8B
					EXELIS HARRIS $4.8B
				dealertrack COX ENTERPRISES $4.0B	TE COMMSCOPE $3.0B
				Wood Mackenzie verisk Analytics $2.8B	ARUBA networks hp $3.0B
				ADVENT SS&C $2.5B	AXIS Canon $2.8B
				Pace ARRIS $2.1B	BLUE COAT BainCapital $2.4B
		AOL. verizon $4.4B	IGATE Capgemini $4.0B	DOMINO brother $1.6B	OmniVision HUA CAPITAL $1.9B
informatica PERMIRA $5.3B	Telefónica O2 Hutchison Whampoa $13.8B	lynda.com Linked in $1.5B	TelecityGroup EQUINIX $3.6B	FUNDtech D+H $1.3B	websense Raytheon $1.9B
KOFAX LEXMARK $1.0B	SNDA $1.9B	ORBITZ WORLDWIDE Expedia $1.4B	H3C UNIS $2.3B	XOOM PayPal $1.1B	virtustream EMC² $1.2B
$6.3B	**$15.7B**	**$7.3B**	**$9.9B**	**$15.4B**	**$118.4B**

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Vertical Application Software Market

Deal Spotlight: Automotive

EV/EBITDA

EV/S

AutoStar
ENDLESS INNOVATION

Sold to

DealerSocket®
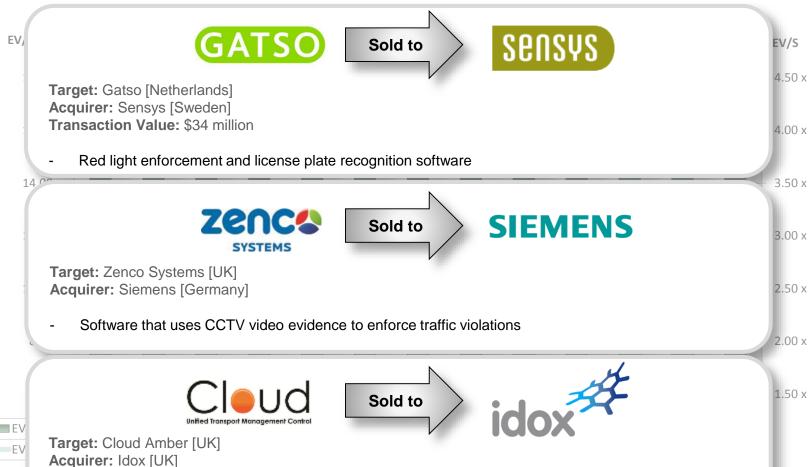
Target: AutoStar Solutions
Acquirer: DealerSocket

- Comprehensive automotive dealer management system

- Integration of DMS with DealerSocket's CRM expands reach with BHPH dealers

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Vertical Application Software Market

Deal Spotlights: Government

GATSO — Sold to — **SENSYS**

Target: Gatso [Netherlands]
Acquirer: Sensys [Sweden]
Transaction Value: $34 million

- Red light enforcement and license plate recognition software

zenco SYSTEMS — Sold to — **SIEMENS**

Target: Zenco Systems [UK]
Acquirer: Siemens [Germany]

- Software that uses CCTV video evidence to enforce traffic violations

Cloud Unified Transport Management Control — Sold to — **idox**

Target: Cloud Amber [UK]
Acquirer: Idox [UK]
Transaction Value: $7.7 million

- Road planning and modeling system using sensor and satellite-based data

CORUM
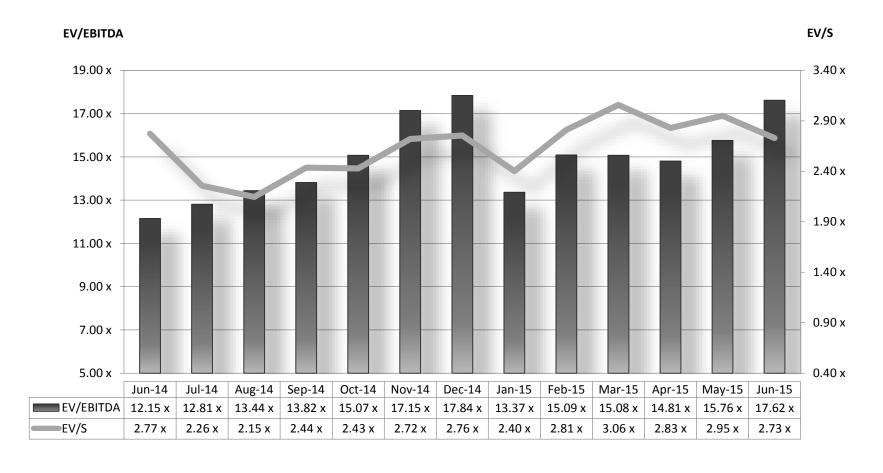
IT Services – Developed Markets

Public Valuation Multiples

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
EV/EBITDA	8.40 x	8.54 x	8.41 x	8.42 x	8.34 x	8.64 x	8.75 x	9.45 x	9.81 x	9.16 x	9.58 x	9.50 x	9.68 x
EV/S	0.77 x	0.81 x	0.79 x	0.81 x	0.77 x	0.82 x	0.80 x	0.80 x	0.89 x	0.83 x	0.89 x	0.88 x	0.87 x

CORUM

IT Services – Emerging Markets

Public Valuation Multiples

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
EV/EBITDA	12.15 x	12.81 x	13.44 x	13.82 x	15.07 x	17.15 x	17.84 x	13.37 x	15.09 x	15.08 x	14.81 x	15.76 x	17.62 x
EV/S	2.77 x	2.26 x	2.15 x	2.44 x	2.43 x	2.72 x	2.76 x	2.40 x	2.81 x	3.06 x	2.83 x	2.95 x	2.73 x

IT Services Application Market Valuations

Deal Spotlights: eCommerce

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brightstep → **Sold to** → accenture

Target: Brightstep [Sweden]
Acquirer: Accenture [Ireland]

- eCommerce & multi-channel commerce systems integration

- Expands end-to-end capabilities, especially in Europe

CRIMSONWING → **Sold to** → KPMG

Target: Crimsonwing [UK]
Acquirer: KPMG
Transaction Value: $27.8 million

- ERP & e-commerce systems integrator and print management, property lease management software

---

麦苗 maimiaotech.com 让数据产生价值 → **Sold to** → Comix 齐心办公

Target: Hangzhou Maimiao Network Tech [China]
Acquirer: Shenzhen Comix Group [China]
Transaction Value: $55.2 million
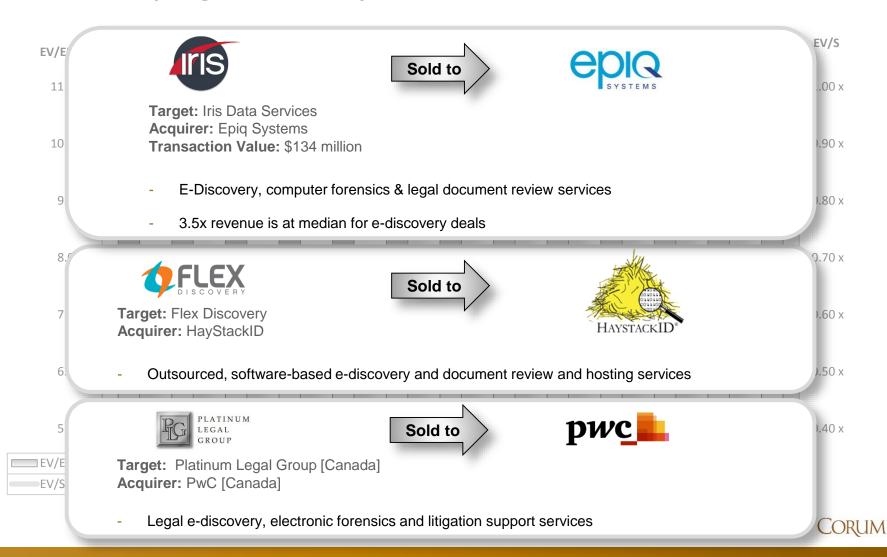
- Software development focused on customer analytics & online marketing for Alibaba

IT Services Application Market Valuations
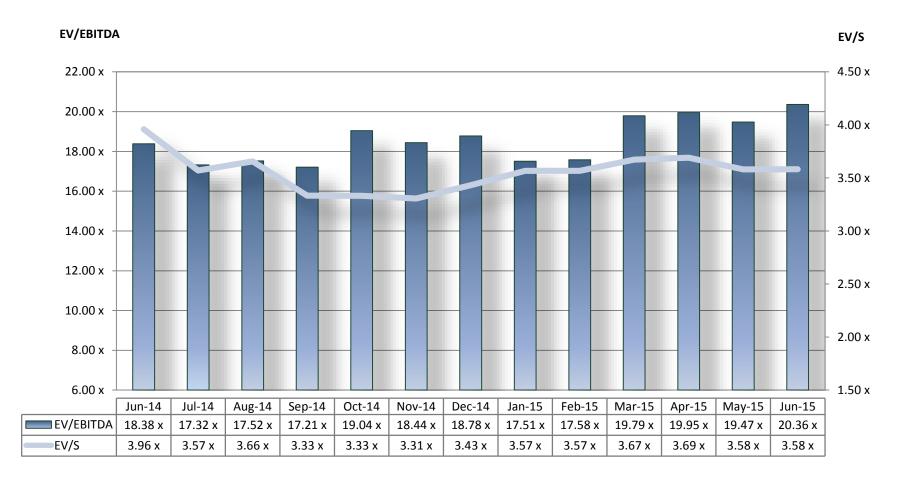
Deal Spotlights: E-Discovery

Target: Iris Data Services
Acquirer: Epiq Systems
Transaction Value: $134 million

- E-Discovery, computer forensics & legal document review services

- 3.5x revenue is at median for e-discovery deals

Sold to

Target: Flex Discovery
Acquirer: HayStackID

Sold to

- Outsourced, software-based e-discovery and document review and hosting services

Target: Platinum Legal Group [Canada]
Acquirer: PwC [Canada]

Sold to

- Legal e-discovery, electronic forensics and litigation support services

Horizontal Application Software Market

Public Valuation Multiples

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
EV/EBITDA	18.38 x	17.32 x	17.52 x	17.21 x	19.04 x	18.44 x	18.78 x	17.51 x	17.58 x	19.79 x	19.95 x	19.47 x	20.36 x
EV/S	3.96 x	3.57 x	3.66 x	3.33 x	3.33 x	3.31 x	3.43 x	3.57 x	3.57 x	3.67 x	3.69 x	3.58 x	3.58 x

Horizontal Application Software Valuations

Subsector		Sales	EBITDA	Examples		
Business Intelligence	⬆	**3.96x**	**22.96x**	NICE®	tableau SOFTWARE	MicroStrategy
Human Resources	⬆	**6.73x**	**39.34x**	ADP	PAYCHEX	workday.
SCM	⬇	**7.02x**	**21.08x**	DESCARTES	aspentech	Manhattan Associates.
Marketing & Ad Tech	⬇	**2.08x**	**18.38x**	amdocs	acxiom.	AllianceData.
ERP	⬆	**3.54x**	**16.13x**	ORACLE®	SAP®	NETSUITE ONE SYSTEM. NO LIMITS.
CRM	⬆	**2.45x**	**27.73x**	salesforce.com	LIVEPERSON	CONVERGYS DREAMS MADE REAL™
Horizontal Other	⬆	**2.98x**	**33.85x**	Trimble	NUANCE	OPENTEXT

CORUM

Horizontal Application Software Market

Deal Spotlight

SABA — Sold to → **VECTOR CAPITAL**

Sector: HR
Target: Saba Software
Acquirer: Vector Capital
Transaction Value: $268 million
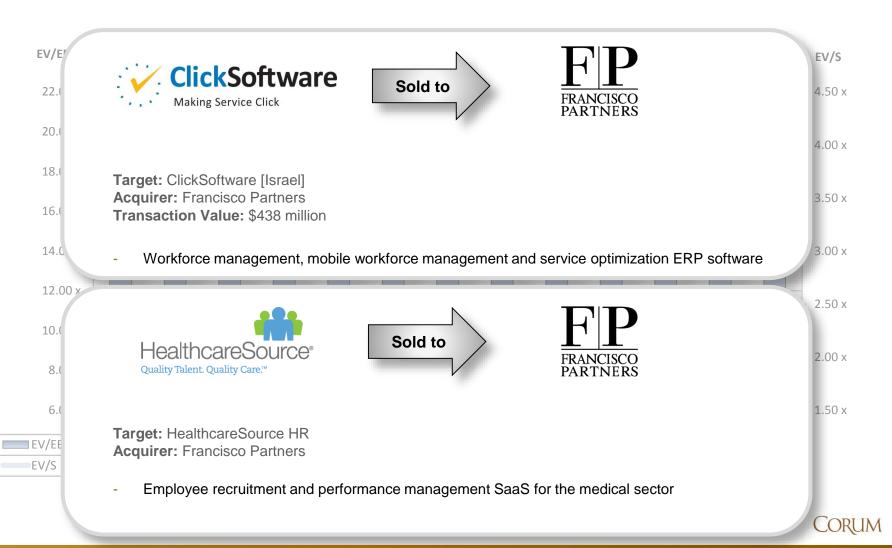
- Cloud-based intelligent talent management solutions

- Plan to shift focus to cloud talent management platform and blue chip customer base

Horizontal Application Software Market

Deal Spotlights: Human Resources

ClickSoftware
Making Service Click

Sold to

F|P
FRANCISCO PARTNERS

Target: ClickSoftware [Israel]
Acquirer: Francisco Partners
Transaction Value: $438 million

- Workforce management, mobile workforce management and service optimization ERP software

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HealthcareSource®
Quality Talent. Quality Care.™

Sold to

F|P
FRANCISCO PARTNERS

Target: HealthcareSource HR
Acquirer: Francisco Partners

- Employee recruitment and performance management SaaS for the medical sector

EV/EBITDA

22.0
20.0
18.0
16.0
14.0
12.00 x
10.0
8.0
6.0

EV/S
4.50 x
4.00 x
3.50 x
3.00 x
2.50 x
2.00 x
1.50 x

EV/EBITDA
EV/S

CORUM

Horizontal Application Software Market

Deal Spotlights: Workforce Management

HRsmart   Sold to   **Deltek**

Target: HRsmart
Acquirer: Deltek

- Recruitment & workforce management SaaS

- Broadens HCM offering and presence in Talent Management Market

Careerify   Sold to   **Linked in**
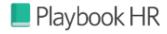
Target: Careerify [Canada]
Acquirer: LinkedIn

- Employee recruiting and retention SaaS.

- Will shift attention to developing a referral service used through its existing network

Playbook HR   Sold to   **Intuit**

Target: Playbook HR
Acquirer: Intuit

- Contractor workforce management SaaS.

- Will add an application, onboarding and compliance solution for on-demand marketplaces

Horizontal Application Software Market

Deal Spotlights: Contract Management

Sold to

Target: Prodagio Software
Acquirer: Gimmal

- On-premise and cloud Microsoft-based contract management and invoiced AP automation software

Sold to
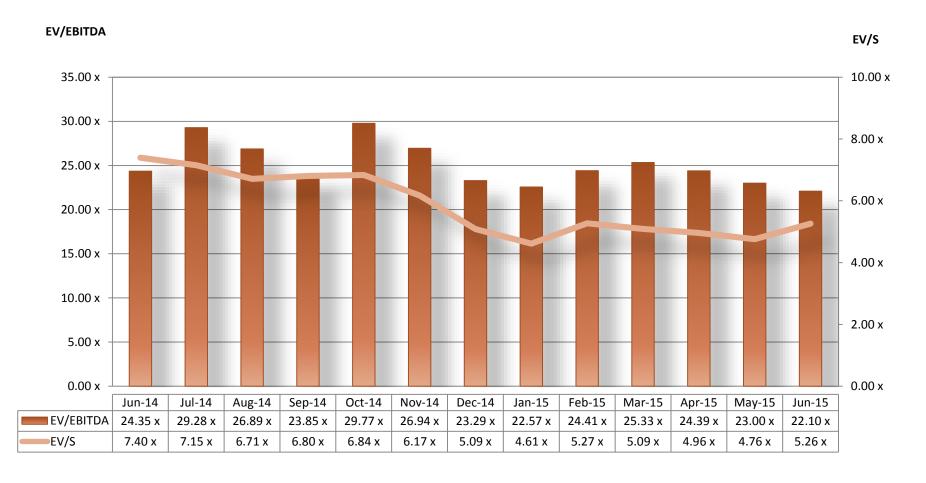
Target: b-pack
Acquirer: Selectica
Transaction Value: $12.5 million

- P2P contract, order, invoice and catalog management software & SaaS

- Enhances CLM and supply management solutions with procure-to-pay applications

CORUM

Internet Market

Public Valuation Multiples

EV/EBITDA

EV/S

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
EV/EBITDA	24.35 x	29.28 x	26.89 x	23.85 x	29.77 x	26.94 x	23.29 x	22.57 x	24.41 x	25.33 x	24.39 x	23.00 x	22.10 x
EV/S	7.40 x	7.15 x	6.71 x	6.80 x	6.84 x	6.17 x	5.09 x	4.61 x	5.27 x	5.09 x	4.96 x	4.76 x	5.26 x

CORUM

Internet Valuations

Subsector		Sales	EBITDA	Examples		
Diversified Internet	⬇	**4.97x**	**15.32x**	Google	Tencent 腾讯	Baidu 百度
eCommerce	⬆	**2.77x**	**44.27x**	ebay	JD.COM 京东	VIP 唯品会 VIPSHOP.COM
Social Network	⬇	**9.21x**	**27.20x**	facebook	Linked in	twitter
Travel & Leisure	⬇	**6.93x**	**26.64x**	priceline.com	Expedia	HomeAway

CORUM

Internet Market

Deal Spotlights: Food ordering

Target: Eat Now [Australia]
Acquirer: Menulog [Australia]

- Free restaurant online ordering system

Target: Menulog [Australia]
Acquirer: Just Eat [UK]
Transaction Value: $681.5 million

- Market leader in the Australian/New Zealand online takeaway marketplace
- Just Eat's 5th acquisition since going public last April

CORUM

Internet Market

Deal Spotlights: Food ordering

Target: Clicca e Mangia [Italy]
Acquirer: Just Eat [UK]

- Food ordering & delivery service for Italian market

Target: DeliveRex.it [Italy]
Acquirer: Just Eat [UK]

- Food ordering & delivery service for Italian market

CORUM

Internet Market

Deal Spotlights: Food Delivery

Sold to

Target: Yemek Sepeti [Turkey]
Acquirer: Delivery Hero Holding [Germany]
Transaction Value: $589 million

- Ordering and food delivery service for Turkey, parts of the Middle East & Greece

Sold to

Target: Talabat [Kuwait]
Acquirer: Delivery Hero Holding [Germany]

- Ordering and food delivery service for Middle Eastern Countries Kuwait, Saudi Arabia, UAE, Bahrain, Qatar & Oman

EV/EBIT

EV/S

35.0

30.0

25.0

20.0

15.00 x

10.0

5.0

0.0

10.00 x

8.00 x

6.00 x

4.00 x

2.00 x

0.00 x

EV/EBIT
EV/S

CORUM

Internet Market

Quandoo **Sold to** → RECRUIT

Target: Quandoo [Germany]
Acquirer: Recruit Holdings [Japan]
Transaction Value: $222 million

- Ordering and food delivery service for Europe

- More than 6,000+ restaurants in 10 countries

CORUM

Corum Research Report

Elon Gasper
Vice President,
Director of Research

Amber Stoner
Senior Analyst

Aaron King
Analyst

Yasmin Khodamoradi
Analyst

Artem Mamaiev
Analyst

CORUM

Corum Top Ten Technology Trends 2015

CONNECT

Majority Mobilization

Online Exchanges

Omni-channel Marketing

Digital Currency Flow

IoT Software

CREATE

Enmeshed Systems

Digital Force Multipliers

Positioning Intelligence

Sports & Gaming

Data Security

CORUM

#1: Majority Mobilization

Russ joined Corum in 2013 and is located in the Seattle headquarters where he assists clients with financial deal structuring and due diligence. He has over 30 years of varied business experience in a variety of industry sectors. Russ started his business career with KPMG Peat Marwick. He was with KPMG for over 21 years and a partner for 11 years. He was responsible for the Pacific Northwest High Technology industry practice, focusing on early stage companies. Additionally, he assisted with a number of initial public offerings. Russ, along with Corum founder and CEO Bruce Milne, founded the Washington Software Association. Russ became known for his entrepreneurial skills and the ability to formulate successful business strategies for early stage technology companies.

Subsequent to KPMG, Russ started a marketing and business strategy consulting firm, ParaMarketing, with a client from his KPMG days that developed Go-to-Market strategies for large multi-national technology firms. Clients included Cisco, Hitachi Data Systems, IBM, Adobe, Docent, Seagate and Adaptec.
The past 8 years Russ has been CEO and President of several early stage companies, successfully growing the companies and raising capital.
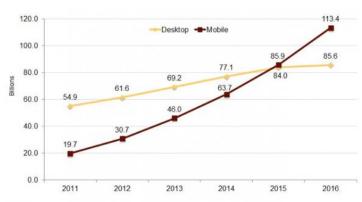
Russ has a degree in Business Administrations, with an emphasis in accounting from the University of Washington.

Russ Riggins
Senior Director
Corum Group Ltd.

CORUM

#1: Majority Mobilization

Critical mass of connected users

#2: Online Exchanges

Dougan is currently Vice President of International Business Development, based in Barcelona, with the Corum Group International. Previously, he spent 3 years working out of Corum's European headquarters in Zürich, Switzerland and 3 years running Corum's research division from their Global HQ in Seattle. Prior to joining Corum's team in 2005, Dougan spent 3 years in the banking industry with Bank of America, and Citigroup's Private Wealth business unit.

Before entering finance and investment banking, Dougan successfully founded two companies, Billions and Modo Marketing. He earned his advanced degree – Diplôme de Métiers du Vin et Management – in 2013 (France), and holds a BA in Business Economics from the University of San Diego.

Dougan Milne
VP, International
Business Development
Corum Group Ltd.

CORUM
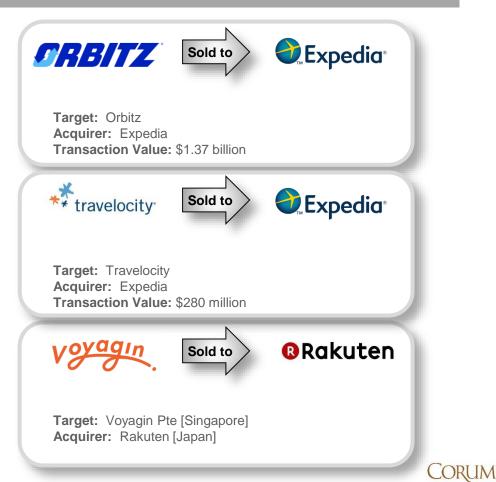
#2: Online Exchanges

Connecting Creators & Consumers

- Connecting buyers & sellers, creators & consumers.

- Previously, disintermediators like Napster, Expedia, iTunes, etc. Today, building new kinds of connections.

- Disruptive opportunities include:

  - Medical services

  - Banking

  - Gambling

ORBITZ Sold to **Expedia**

Target: Orbitz
Acquirer: Expedia
Transaction Value: $1.37 billion

travelocity Sold to **Expedia**

Target: Travelocity
Acquirer: Expedia
Transaction Value: $280 million

voyagin. Sold to **Rakuten**

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

CORUM

#3: Omni-Channel Marketing

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.

Daniel Bernstein
Vice President
Corum Group Ltd.

CORUM

#3: Omni-Channel Marketing

Consistent Messaging Across Channels

- Consumers more informed, savvy and accessible.

- Retailers seek to better understand behavior patterns, deliver messages across channels, and drive purchasing.

- Real-time analytics, marketing and sales/payments are key.

- Encompasses not just advertising and websites, but physical locations, social media, events, and much more.

Bronto Sold to **NETSUITE**

Target: Bronto Software
Acquirer: NetSuite
Transaction Value: $200 million

DeepForestMedia Sold to **Rakuten Marketing**

Target: Deep Forest Media
Acquirer: Rakuten Marketing

CORUM

#4: Digital Currency Flow

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.

Mark Johnson
Director
Corum Group
International, Ltd.

#4: Digital Currency Flow

Decreasing Friction in Payments & Exchange

- Currency flow has moving towards fewer barriers and less friction on transactions.

- Examples include digital currencies, mobile wallets, innovative payment systems, online game and social network currencies & more.

- Software & systems that improve upon or harness this flow have significant potential.

XOOM Sold to **PayPal**

Target: Xoom
Acquirer: PayPal
Transaction Value: $1.1 billion

CORUM

#5: IoT Software

Jeff joined Corum in 2007 as Regional Director in Houston, Texas. He has over 25 years of entrepreneurial and consulting experience building software and business services companies. He specializes in information technology for engineering, scientific and business applications. He also understands the energy industry and multinational operations.

Jeff helped form and was President of Severn Trent Worksuite, a FTSE 100 subsidiary, which became the leading provider of enterprise and wireless workflow management software. Jeff was Vice President at IntelliGIS, a pioneer in geographic information systems and wireless computing. Additionally, he launched Western Hemisphere operations for Simon Petroleum Technology, a provider of petroleum reservoir management software, and was a member of the initial management team at GeoQuest Systems, which became the leader in petroleum decision support systems.

Jeff began his career on the research staff at Columbia University and is a published author. He holds a degree in Geology from the State University of NY.

Jeff Brown
Vice President
Corum Group Ltd.

CORUM

#5: IoT Software

Emerging Platforms, Standards & Analytics

COLDLIGHT — Sold to → **PTC**

Target: ColdLight Solutions
Acquirer: PTC
Transaction Value: $100 million

2lemetry — Sold to → **amazon.com**

Target: 2lemetry
Acquirer: Amazon

offspark SPARKING IMAGINATION — Sold to → **ARM**

Target: Offspark [Holland]
Acquirer: ARM Ltd. [UK]
Transaction Value: $1.86 million

OpenDNS — Sold to → **CISCO**

Target: OpenDNS
Acquirer: Cisco
Transaction Value: $635 million

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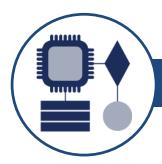
#6: Enmeshed Systems
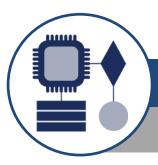
John Simpson
Vice President
Corum Group Ltd.

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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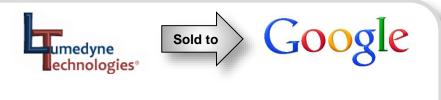
#6: Enmeshed Systems

Blurring the Lines between Software & Hardware

Sold to → amazon.com

Target: Annapurna Labs
Acquirer: Amazon

Sold to → Google

Target: Lumedyne
Acquirer: Google

CORUM

#7: Digital Force Multipliers

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.

Rob Schram
Senior Vice President
Corum Group Ltd.

CORUM

#7: Digital Force Multipliers

In-House Tools Transform Traditional Firms into Tech Firms

Target: MediaSolv Solutions
Acquirer: TASER International
Transaction Value: $8 million

Target: Blackcircles.com [UK]
Acquirer: Michelin Group [France]
Transaction Value: $75.7 million

Target: Accountable Health Solutions
Acquirer: Hooper Holmes
Transaction Value: $7 million

Target: LiveHealthier
Acquirer: Centene Corporation
Transaction Value: $24 million

CORUM

#8: Positioning Intelligence

Corum's former President and now Chairman, Ward Carter's technology background includes a variety of management positions with the Burroughs Corporation (later Unisys). Then, as vice president of a Wall Street investment firm and as principal in a regional venture firm, he raised capital for ventures in computer hardware, software, and biotechnology. As an executive for a Seattle-based archival storage software company, he attracted venture capital and assisted with the eventual acquisition of the company by a larger competitor. As president of InfoMatrix, and later Discovery Sales + Marketing, Ward provided strategic consulting support to emerging software companies.

He joined Corum in 1997, has successfully managed numerous software company mergers and acquisitions worldwide, was appointed President in 2006 and Chairman in 2010. He graduated with Honors from Seattle University with a B.A. in Business.

Ward Carter
Chairman
Corum Group Ltd.

CORUM

#8: Positioning Intelligence

Pivotal Levels of Precision and Understanding

- Increasingly granular data now available to consumers, marketers and industry.

- Setting in motion a new wave of highly contextual services and information.

- Use cases for location and proximity technology being dramatically enhanced and refined.

- Vertical opportunities beckon now, as key players position for future horizontal plays.

CORUM

#9: Sports & Gaming

Entertainment software entrepreneur Jim Perkins is directly responsible for publishing some of the industry's biggest franchises, including Unreal, Duke Nukem, Wolfenstein, Doom, Hunting Unlimited, and Driver. A well-known senior executive with a 22-year track record of publishing such bestselling hits, he founded and grew two highly successful software publishing companies (FormGen and ARUSH) from start-ups to multi-million dollar enterprises.

Jim also launched Radar Group, the first Transmedia Incubation Company to monetize entertainment franchises across all media, including film and television. His success and extensive experience in software production, marketing and public relations, packaging, online and retail distribution and software M&A, uniquely qualify him as an expert in building value and realizing wealth. Jim joined Corum Group, the world's leading software M&A firm, with a specific focus on educating and helping prospective sellers maximize the value of their digital media companies.

Jim Perkins
Regional Director,
Digital Media
Specialist
Corum Group, Ltd.

CORUM

#9: Sports & Gaming

Reaching pivotal moment in culture & tech

- Sports and gaming reaching critical point of cultural importance globally.

- Tech creating new opportunities to change the games, viewership and marketing.

- Sports and video games converging—sports more interactive and gaming more a spectator sport.

- Gambling creating value opportunities in both sectors and their intersection.

CORUM

#10: Data Security

Jon joined Corum in 2010 out of their Seattle headquarters and is now based in Amsterdam. He has close to 30 years experience serving high technology companies with the last 20 mainly in chief operating and chief executive roles. During this time Jon has become known for his ability to successfully integrate strategies and tactics into well executed operating plans, building strong teams and achieving excellent results.

Jon has served as President and CEO of The PowerTech Group, a security and compliance software company sold to Help/Systems in 2008, and Microserv Technology Services, a nationwide tech services company which was acquired by Halifax Corporation in 2003. Earlier he served as President and COO of Traveling Software, a leading developer of communications software in Seattle. Prior to his operating roles Jon held vice president roles in sales, marketing and business development for technology companies.

Jon has taught in the software product management program at the University of Washington and holds a business administration degree from San Francisco State University.

Jon Scott
Senior Vice President
Corum Group Ltd.

CORUM

#10: Data Security

Building Barriers in an Age of Blurred Lines

- New technologies creating new risks from freer flowing data.

- High profile hacks (Target, Sony, JP Morgan) drive broad recognition of security needs.

- Key trends include security analytics, rapid detection & in-process threat response.

- Internet of Things opening a new front in this fight.

Corum Top Ten Technology Trends 2015

CONNECT

- Majority Mobilization
- Online Exchanges
- Omni-channel Marketing
- Digital Currency Flow
- IoT Software

CREATE

- Enmeshed Systems
- Digital Force Multipliers
- Positioning Intelligence
- Sports & Gaming
- Data Security

CORUM

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

CORUM

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."

- **Berlin** – MB
- **Portland, ME** – MB
- **Burlington** – MB
- **Nashua** – MB
- **Phoenix** – MB
- **Ottawa** – MB
- **Montreal** – MB

- **Salt Lake City** – SUSO
- **Austin** – SUSO
- **Minneapolis** – MB
- **Austin** – SUSO
- **Dallas** – SUSO
- **Houston** – SUSO
- **Wellington**– MB

www.CorumGroup.com/Events

CORUM

After the Deal – Celebration