Tech M&A Monthly

Midyear Report: H1 2018

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TECH M&A MONTHLY

….starts in 2 minutes

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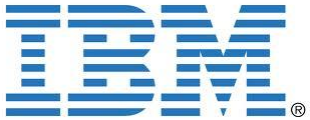
www.corumgroup.com

Past Attendees Include:



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Past Conferences & Reports

- Sellers Panel
- Private Equity Panel
- Corum Annual Report Pt. 1
- 10 Keys to a Valuable Valuation
- Buyers Lists
- Executive Summaries
- Market Spotlight: Data Security

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TECH M&A MONTHLY

….starts in 1 minute

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Merge Briefing

- 90 Minutes
- Industry Update
- Overview of the M&A Process
- Upcoming events in:
  - San Jose
  - Seattle
  - Adelaide
  - Reno
  - Bogota
  - Kelowna
  - Los Angeles

MERGE BRIEFING

Selling Up, Selling Out

- Half-Day
- Tech M&A Bootcamp
- The most attended tech executive conference in history
- Upcoming events in:
  - Melbourne
  - Pittsburgh
  - Philadelphia
  - San Francisco

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SELLING UP
SELLING OUT

8 Stages for an **Optimal Outcome**

Typical Negotiation Flow

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AVOIDING THE

DEAL DISASTERS

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Upcoming Conference Schedule

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

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

Jul. 17: **San Jose** – MB

Aug. 2: **Seattle** – Invite-Only

Aug. 7: **Melbourne** – SUSO

Aug. 9: **Adelaide** – MB

Aug. 9: **Pittsburgh** – SUSO

Aug. 13: **Auckland** – MB

Aug. 15: **Las Vegas** – MB

Aug. 16: **Reno** – MB

Aug. 21: **Bogota** – MB

Aug. 23: **Kelowna** – MB

Aug. 28: **Los Angeles** – MB

Aug. 30: **Philadelphia** – SUSO

Sep. 6: **Austin** – Tech Happy Hour

Sep. 13: **Phoenix** – MB

www.CorumGroup.com/Events

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Logistics

- Ask questions any time
  - Use Q&A tab on bottom of screen
  - Click “Refresh Now” to view responses
- This event is being recorded
  - European broadcast April 13, 11AM Berlin Time
  - On demand webcast will be available at www.corumgroup.com

Tech M&A Monthly

Midyear Report: H1 2018

12 July 2018

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Welcome

Timothy Goddard
EVP, Marketing
Corum Group Ltd.

Timothy joined Corum in 2011, and oversees the company's global marketing efforts 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
- Economic Outlook Update
- Field Report: Every Angle
- Special Report: “Secret” Deals
- 2018 H1 Research Report
- Q&A

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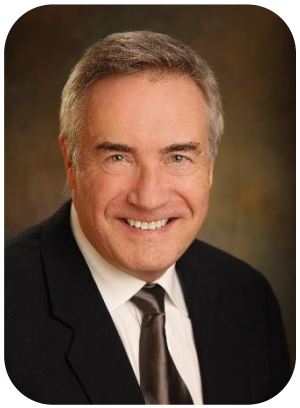
Economic Outlook Update



Bruce Milne
CEO
Corum Group

Prior to Corum, he founded or owned four software/IT/internet related firms, including the largest vertical market software company in its time, AMI. This Inc. 500 firm, at its peak, was rated by IDC as the fastest growing computer-related company in the world. He has also been at the vanguard of creative financing and, at one point, raised more venture capital in a single closing than anyone in history without a lead investor. Through Corum, he has helped execute over $1 billion in financings/recapitalizations with VC and PE firms in the U.S. and Europe.

As a recognized expert in software, he has served on numerous advisory boards including Bill Gates at Microsoft, IBM, and Apple. He was founding investor in a number of firms, including Blue Coat, Bright Star and Sabaki, as well as advisor to two governors, a senator, and the Canadian Government. He was a board member of the Washington Technology Center, and founded the WTIA, the nation's most active regional technology trade association.

Field Report: Every Angle

Jon Scott
Managing Director
Corum Group International

Jon joined Corum in 2010 out of their Seattle headquarters. 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.

Special Report: “Secret” Deals

Timothy Goddard
EVP, Marketing
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Corum Research Report

Elon Gasper
EVP, Research

Amber Stoner
Director of Research

Yasmin Khodamoradi
Director, Valuation Services

Amanda Tallman
Senior Analyst

Patrick Cunningham
Research Analyst

Becky Hill
Research Analyst

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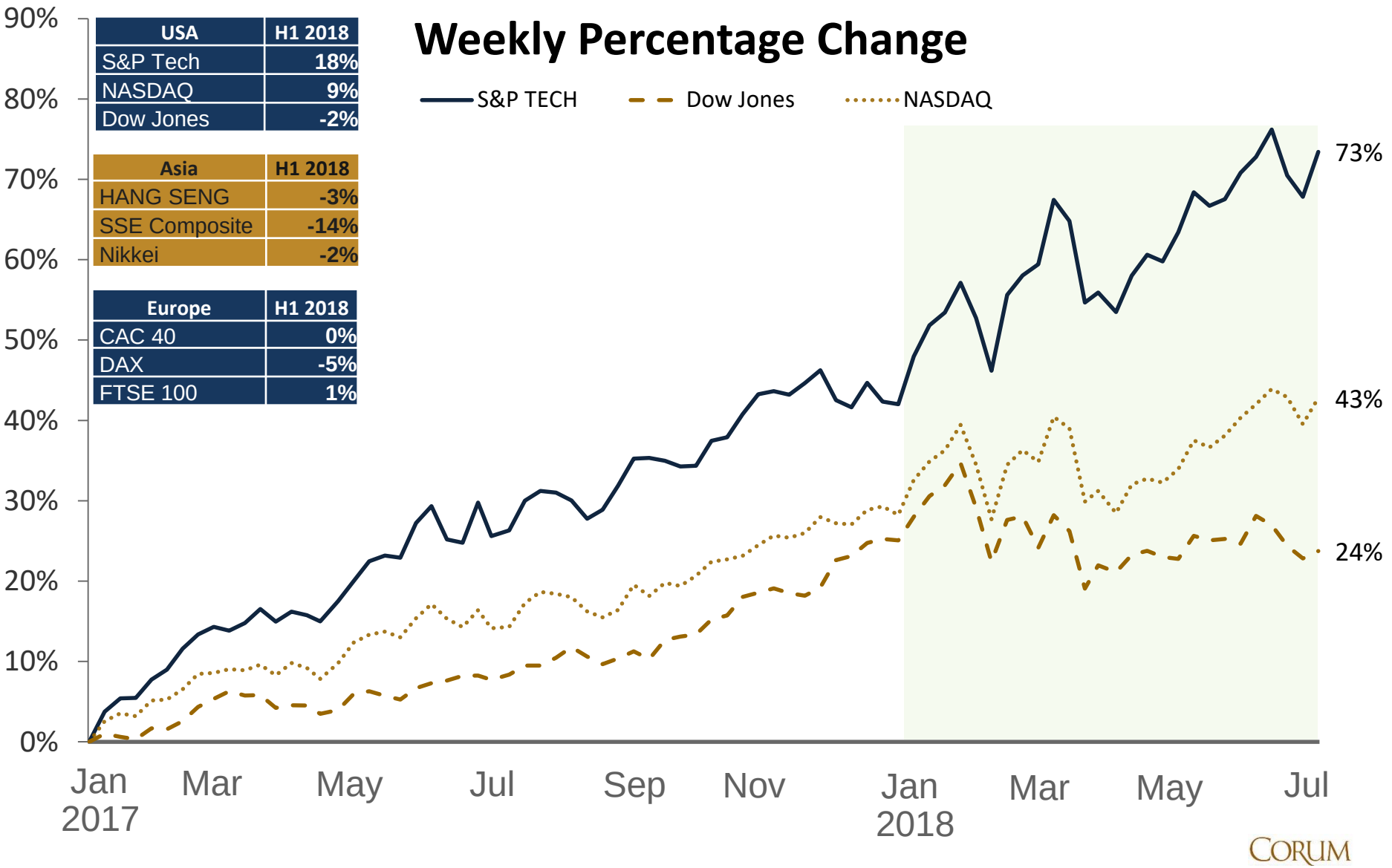
Public Markets - YTD

Weekly Percentage Change

USA	H1 2018
S&P Tech	18%
NASDAQ	9%
Dow Jones	-2%

Asia	H1 2018
HANG SENG	-3%
SSE Composite	-14%
Nikkei	-2%

Europe	H1 2018
CAC 40	0%
DAX	-5%
FTSE 100	1%



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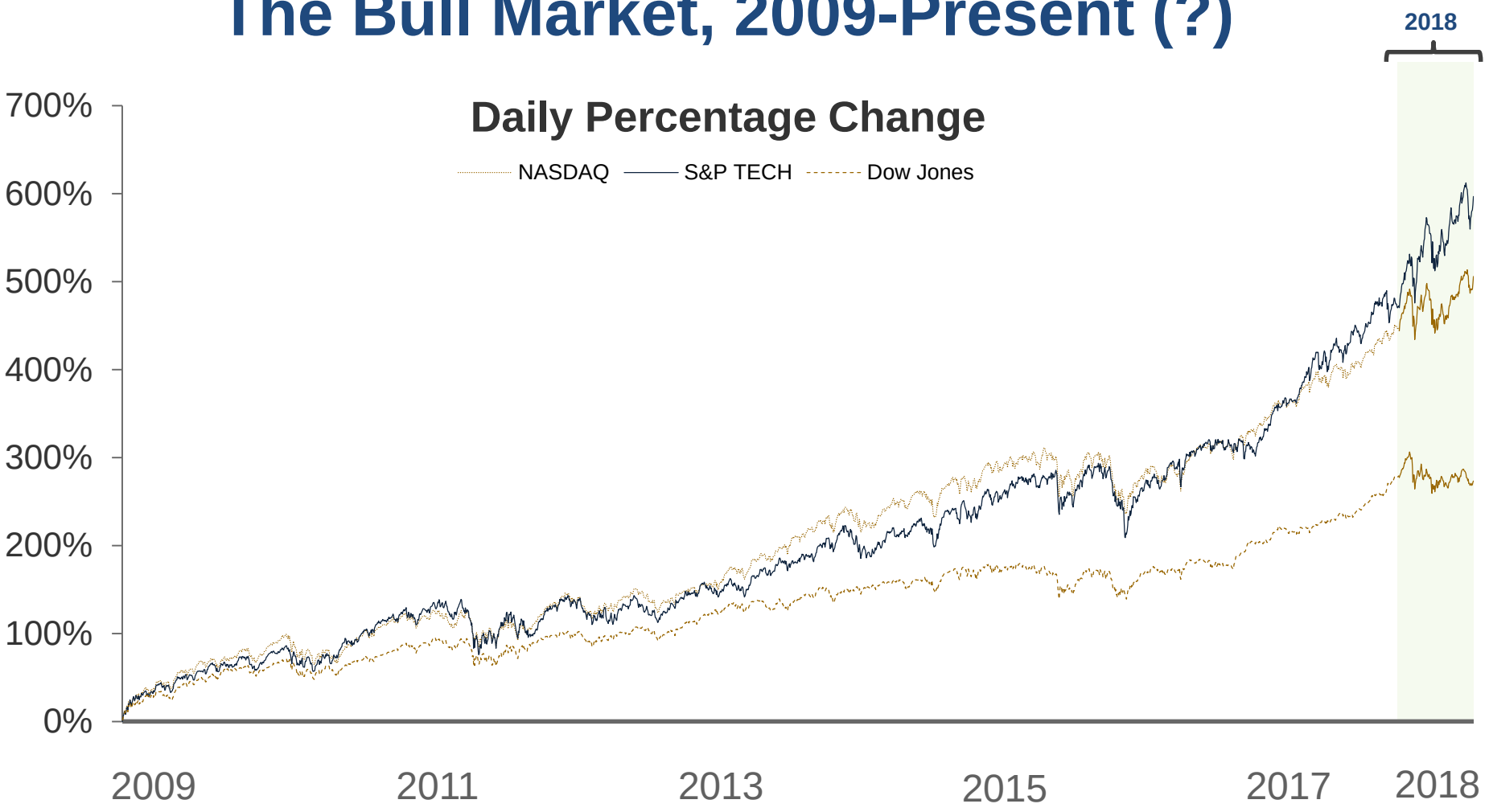
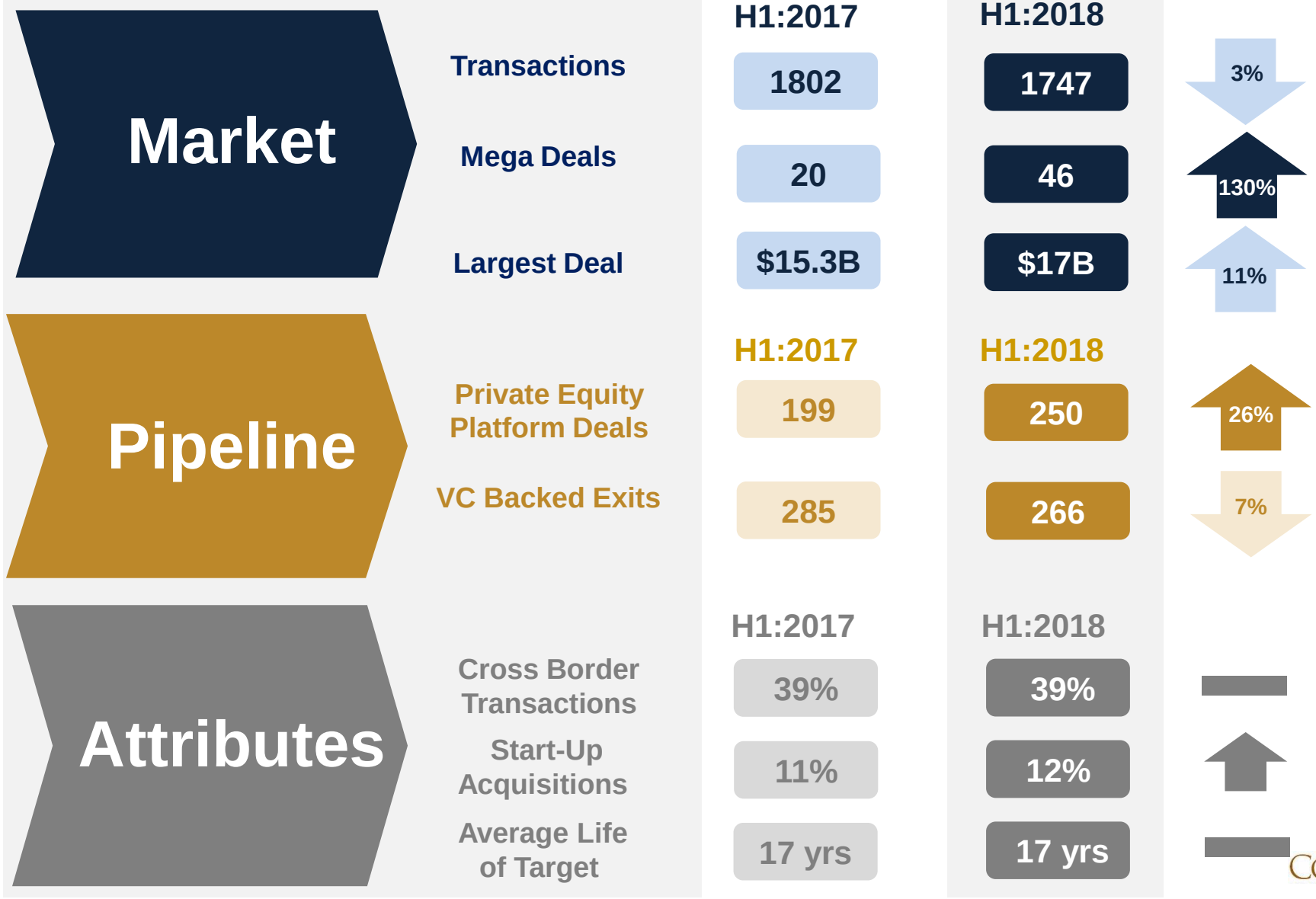
The Bull Market, 2009-Present (?)



CORUM

Corum Index



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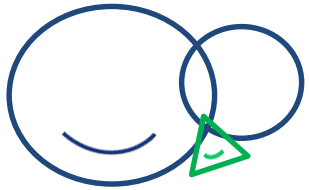
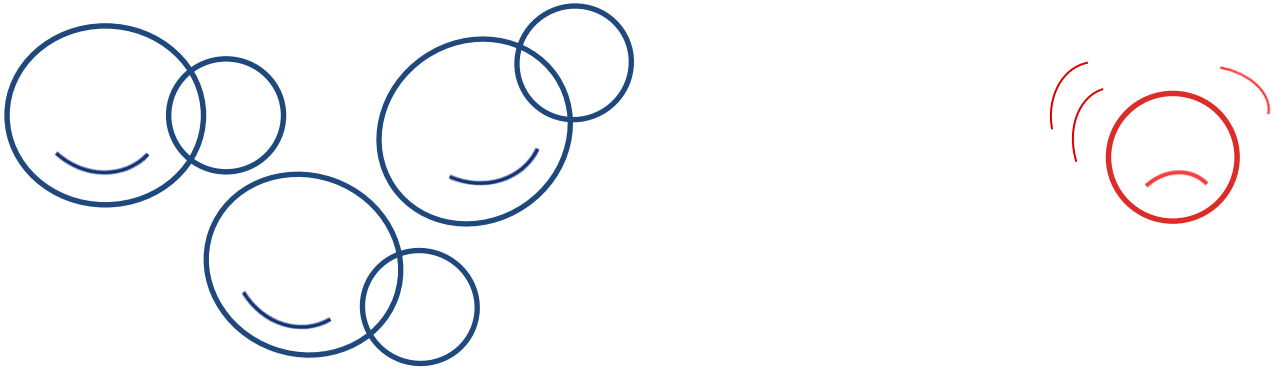
Megadeals promote smaller M&A

- **Buyers** will be looking for tuck-ins:



- **Competitors** for matching investment opportunities:

- **Mid-sized players** left behind among now larger competitors:



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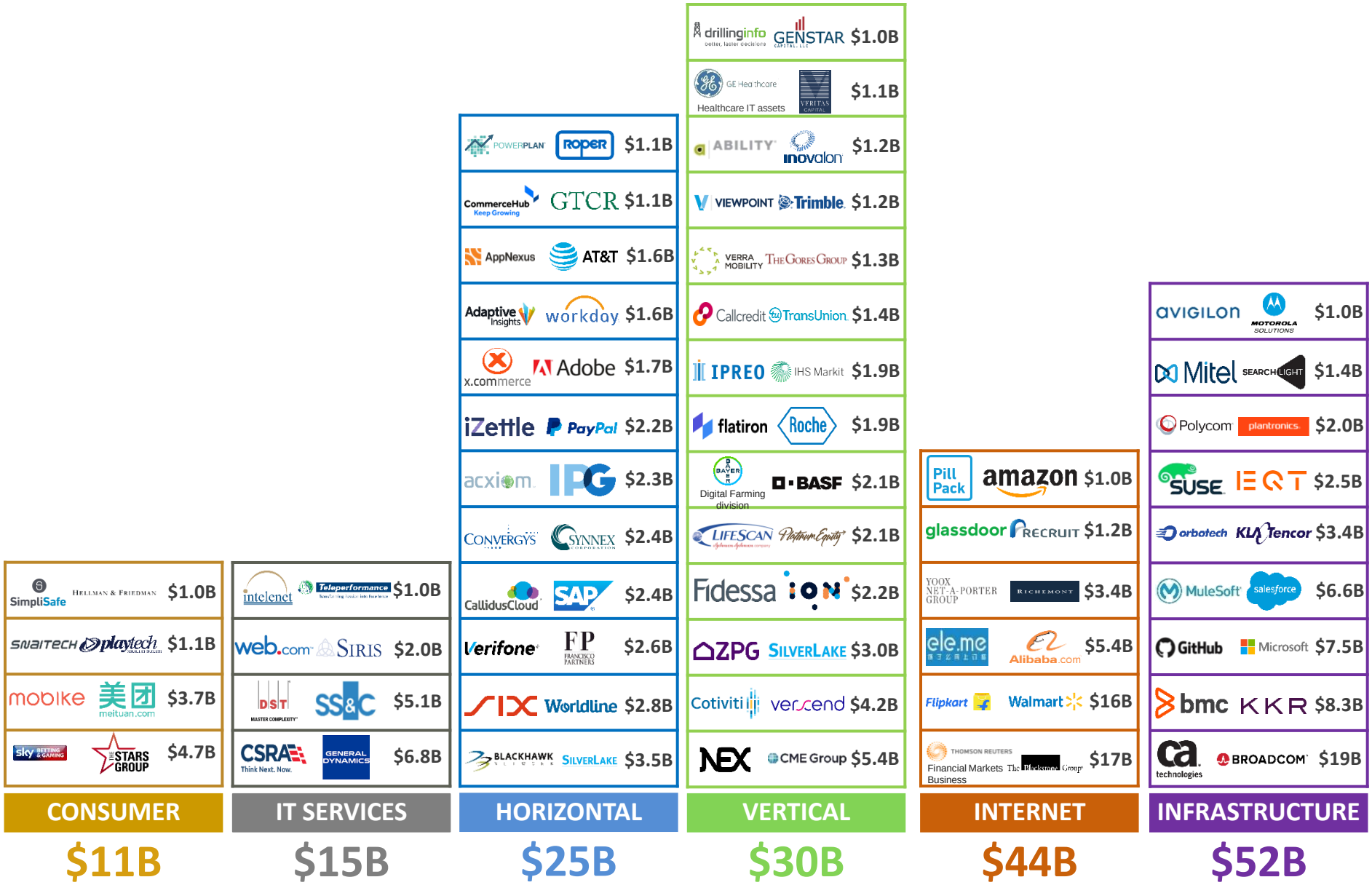
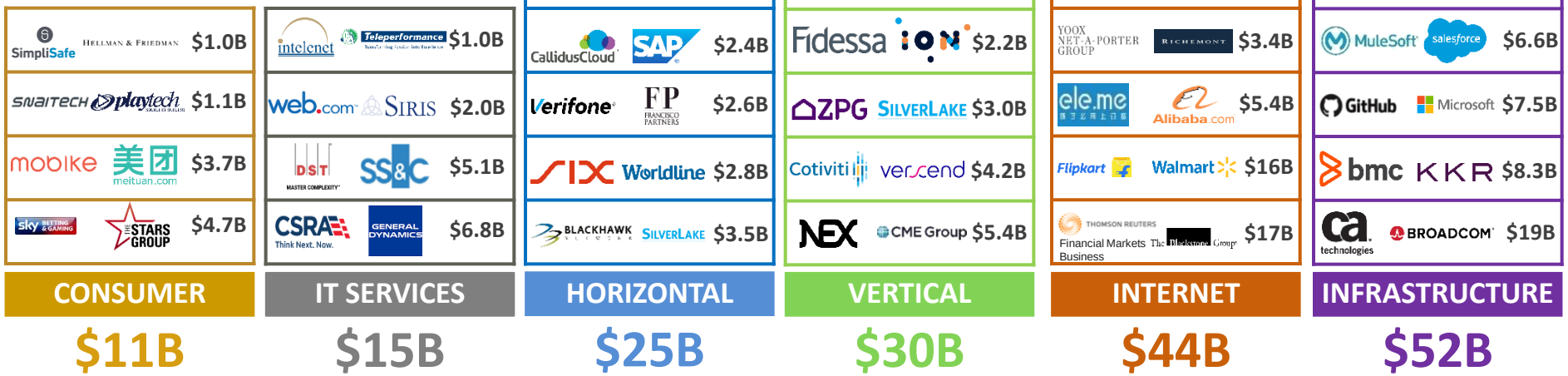
2018 Mega Deals – YTD



2018 Mega Deals – YTD

Adaptive Insights **Sold to** workday.

Target: Adaptive Insights [USA]
Acquirer: Workday [USA]
Transaction Value: $1.6B
- Business planning cloud software



CONSUMER	IT SERVICES	HORIZONTAL	VERTICAL	INTERNET	INFRASTRUCTURE
$11B	$15B	$25B	$30B	$44B	$52B

2018 Mega Deals – YTD

GitHub Sold to Microsoft

Target: GitHub [USA]
Acquirer: Microsoft Corporation [USA]
Transaction Value: $7.5B
- Leading collaborative code development platform

2018 Mega Deals – YTD

web.com Sold to SIRIS

Target: Web.com Group [USA]
Acquirer: Siris Capital Group [USA]
Transaction Value: $2.0B
- Web hosting, design & marketing services

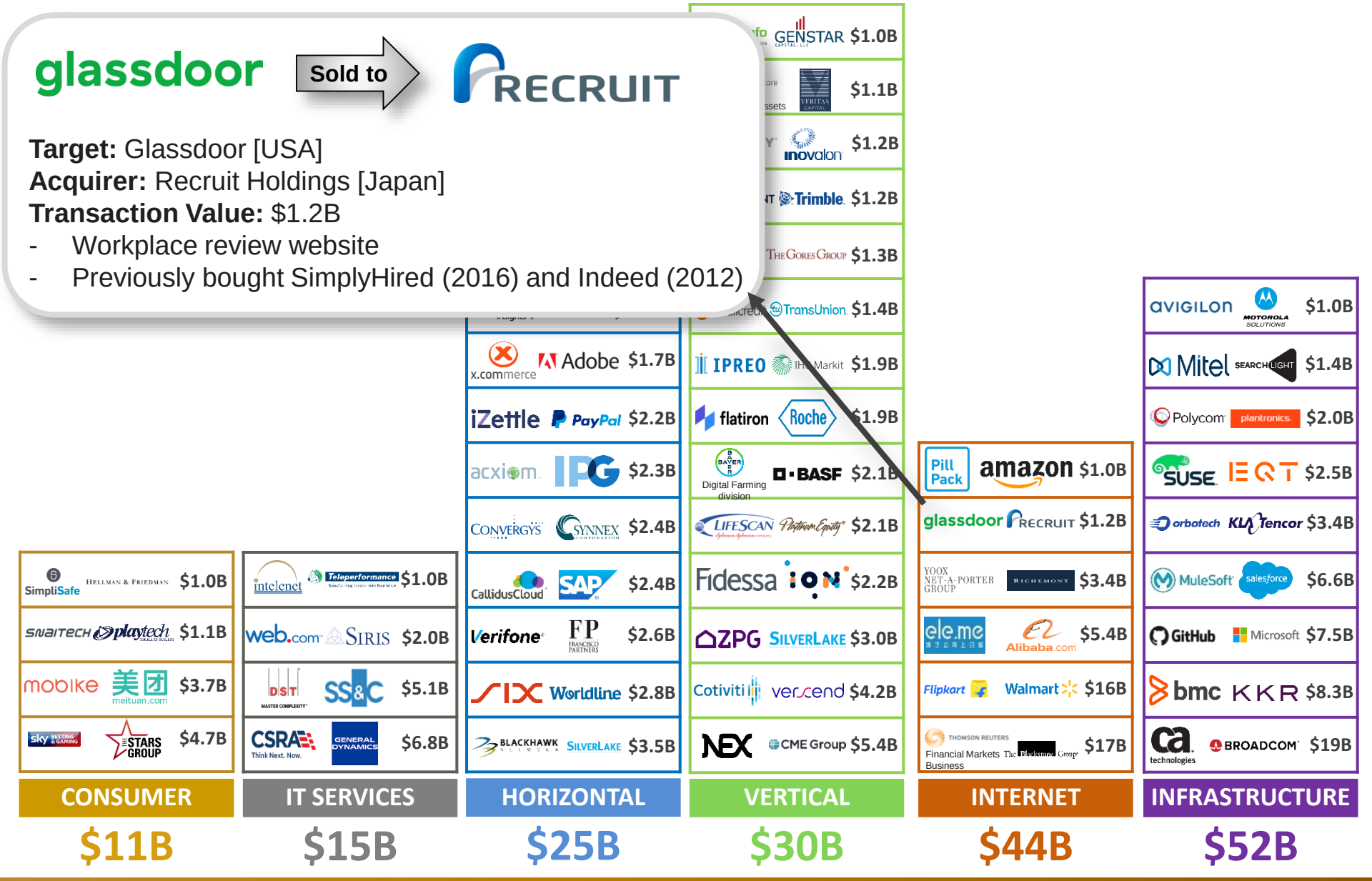
CONSUMER	IT SERVICES	HORIZONTAL	VERTICAL	INTERNET	INFRASTRUCTURE
$11B	$15B	$25B	$30B	$44B	$52B

2018 Mega Deals – YTD

glassdoor **Sold to** RECRUIT

Target: Glassdoor [USA]
Acquirer: Recruit Holdings [Japan]
Transaction Value: $1.2B

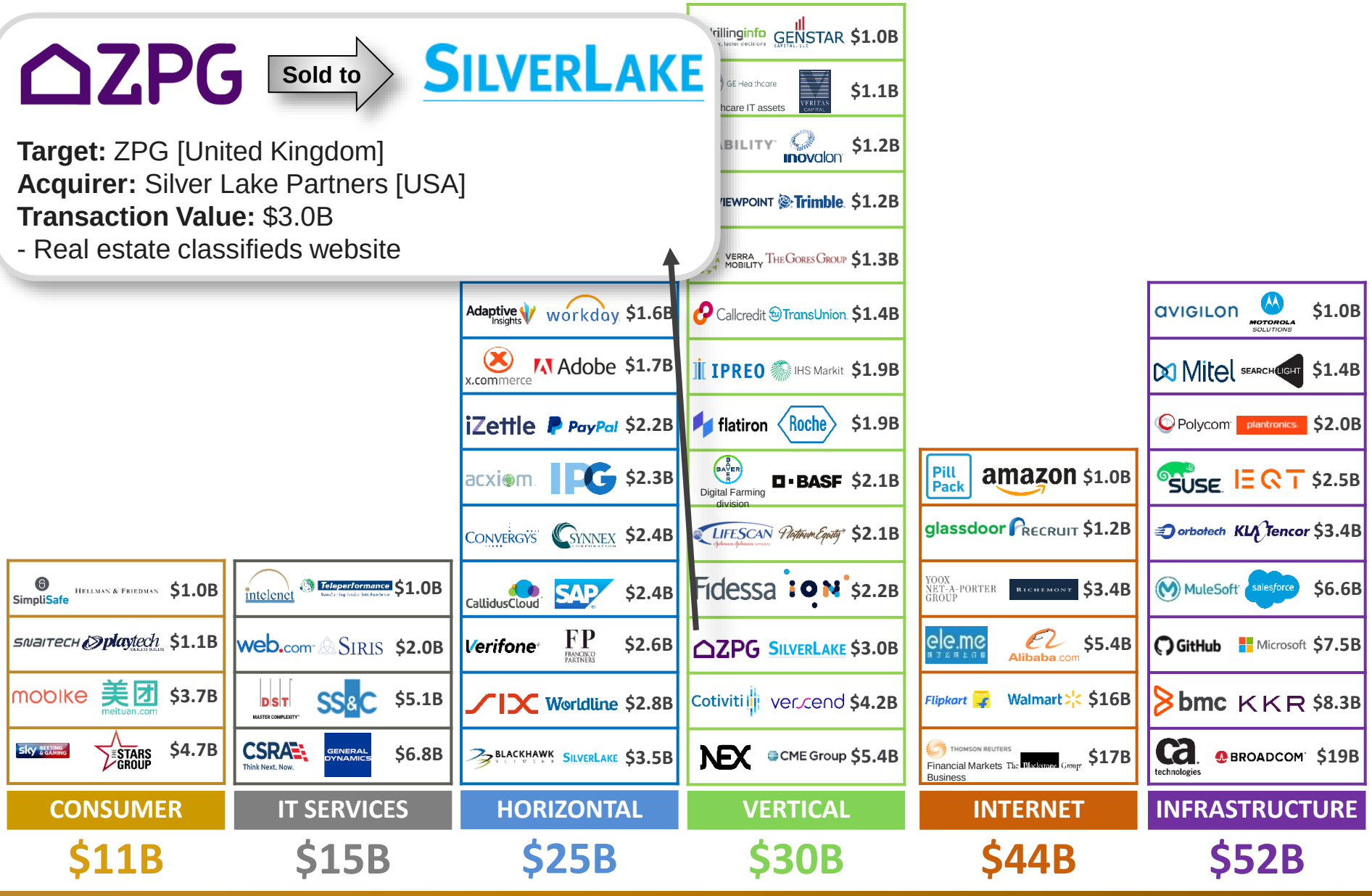
- Workplace review website
- Previously bought SimplyHired (2016) and Indeed (2012)



2018 Mega Deals – YTD

ZPG **Sold to** SILVERLAKE

Target: ZPG [United Kingdom]
Acquirer: Silver Lake Partners [USA]
Transaction Value: $3.0B
- Real estate classifieds website

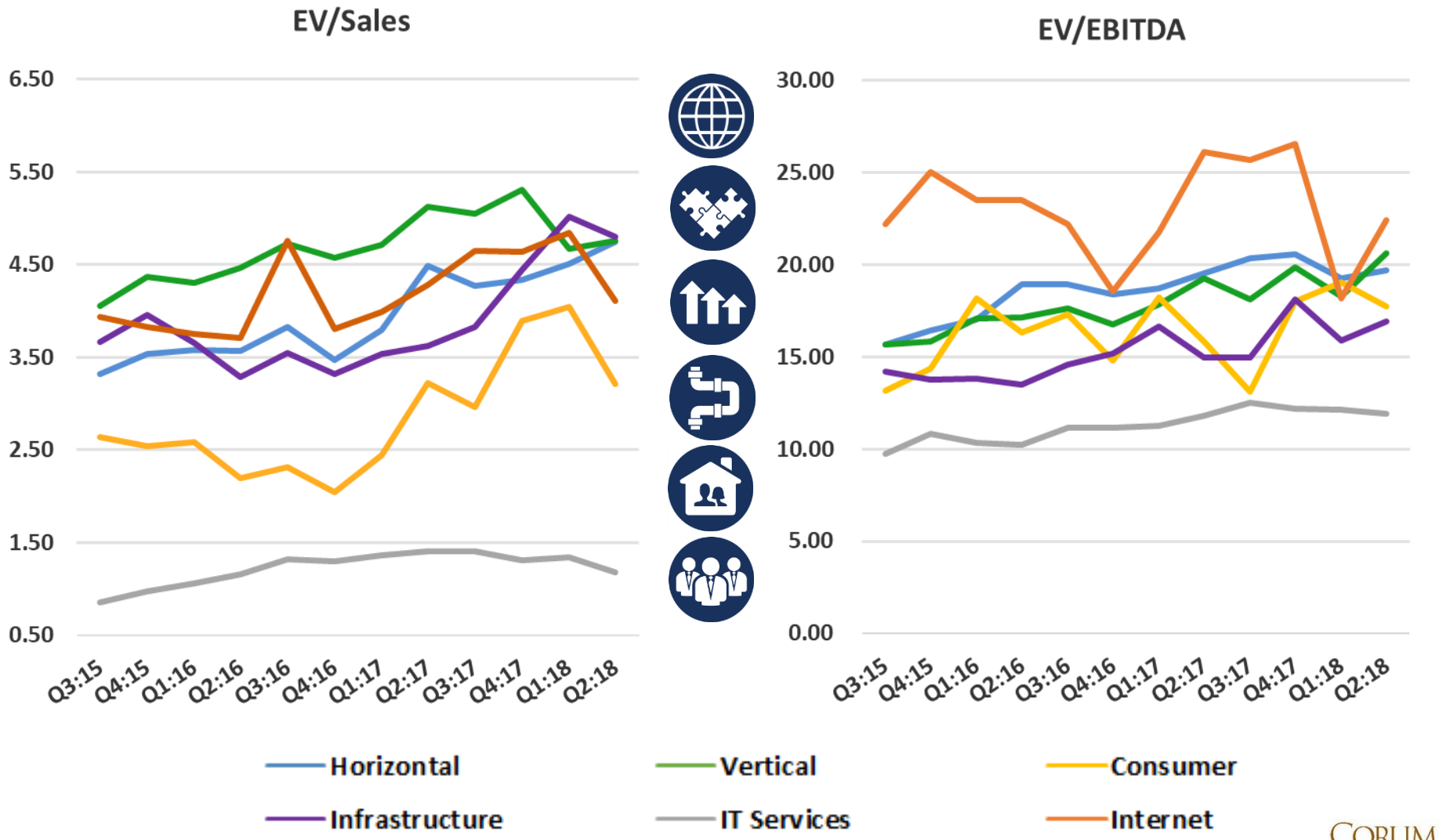


2018 Mega Deals – YTD

Sold to

Target: Sky Bet [United Kingdom]
Acquirer: The Stars Group [Canada]
Transaction Value: $4.7B
- Sports, casino, bingo and poker gaming website

3-Year Market Valuation Trends



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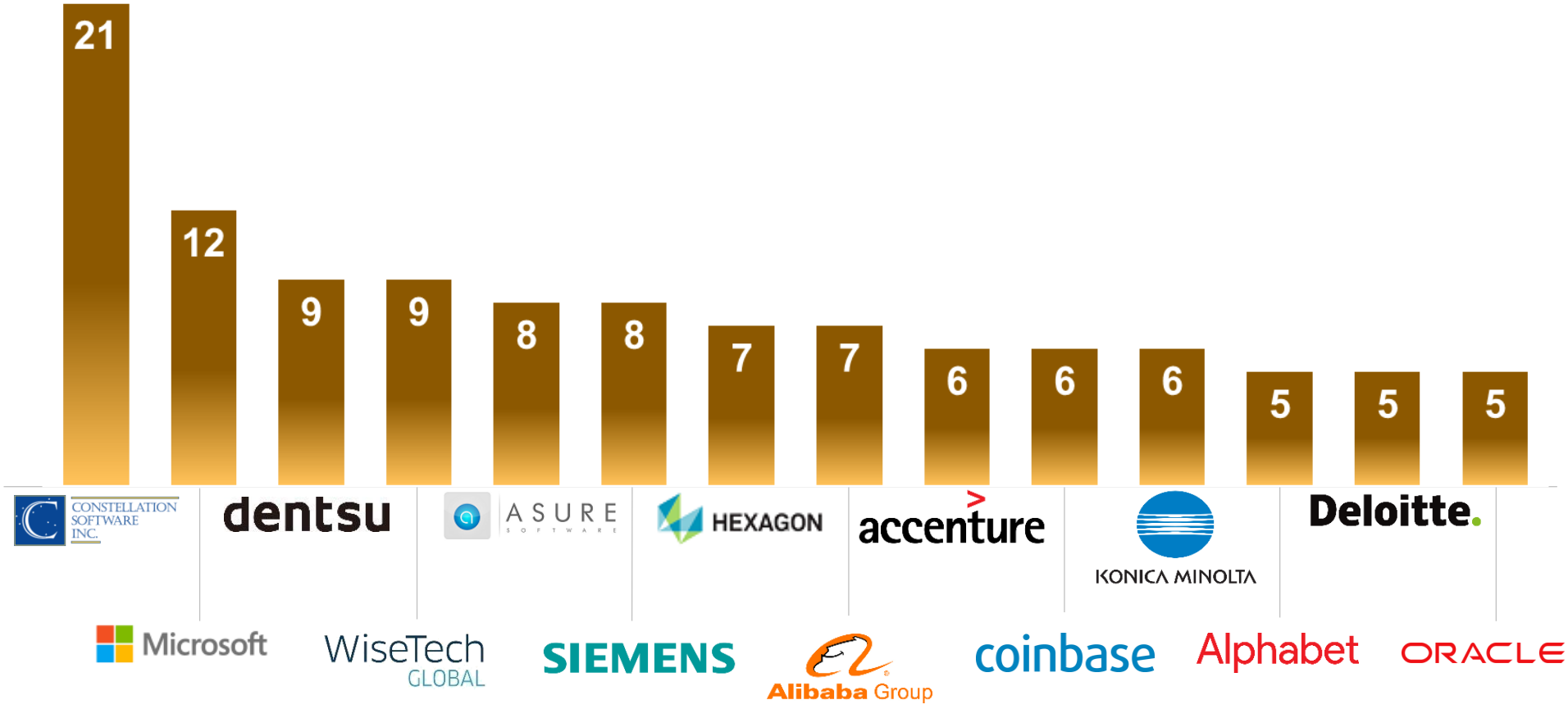
Top Strategic Acquirers – H1:2018



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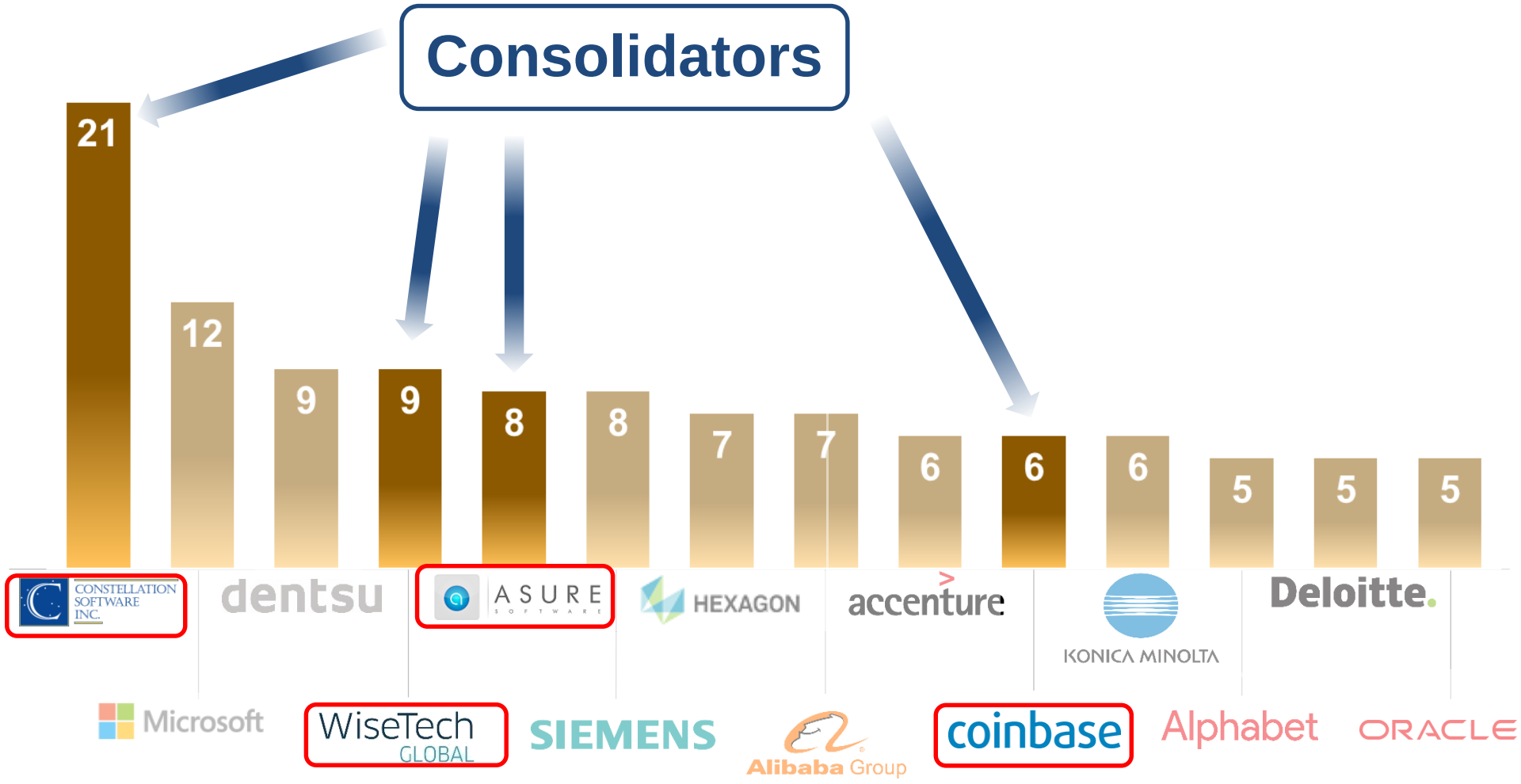

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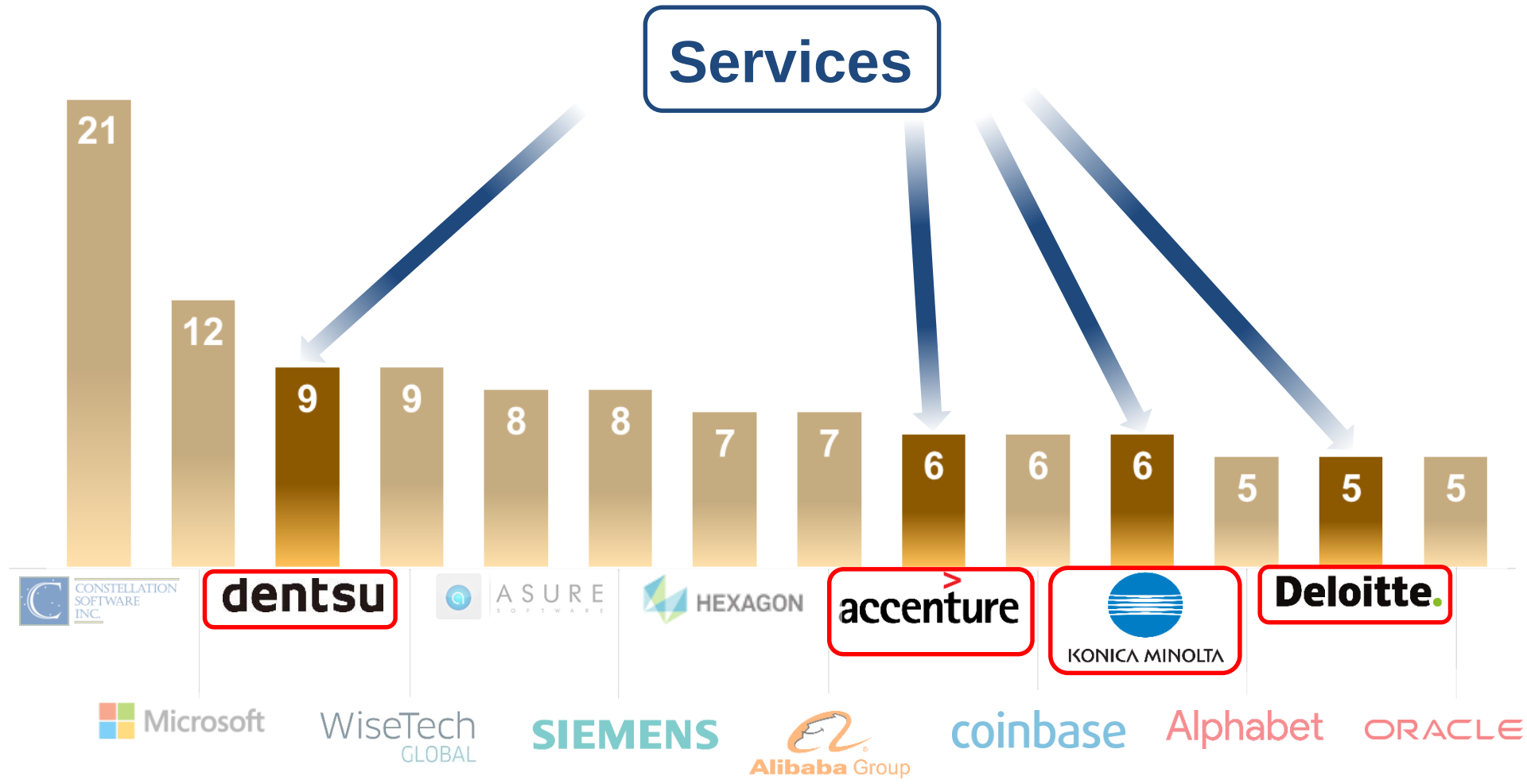

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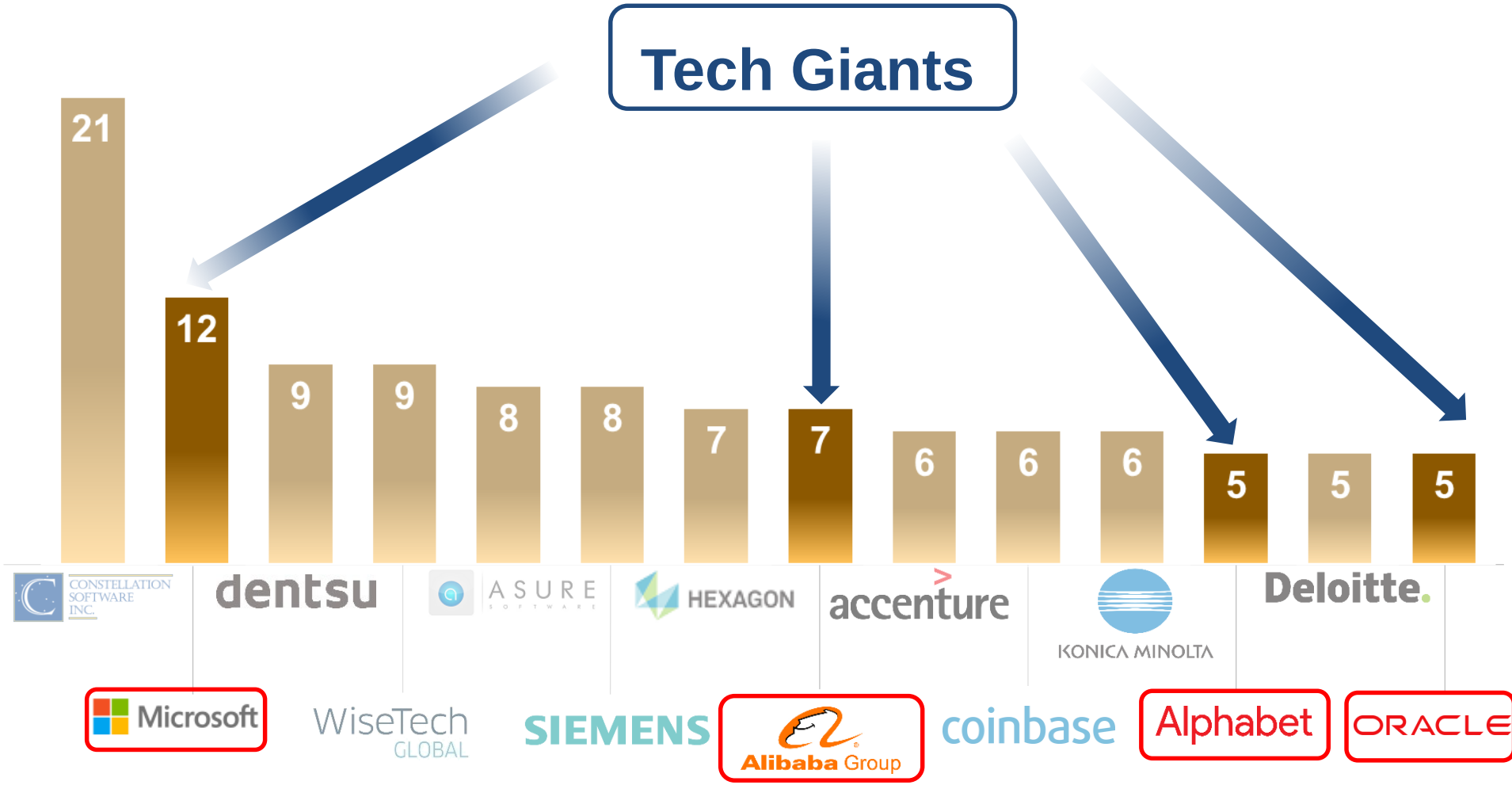
Top Strategic Acquirers – H1:2018



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Microsoft Software Acquisitions: H1 2018

Microsoft

Education

FLIPGRID.

Chalkup

Strategic value for

Microsoft Teams

Enterprise

FORERUNNER SOFTWARE

AVERE

Strategic value for

Power BI

Microsoft Azure

Gaming

Playground Games

PLAYFAB

NINJA THEORY

UNDEAD LABS

COMPULSION GAMES

Setting up its own gaming studio,

THE INITIATIVE

bolstering Xbox & Azure

AI

bonsai

semanticmachines

Fuels AI efforts for

Cortana

Microsoft Azure

Dev Tools

GitHub

"Open source, from Microsoft with love"

$7.5B

Microsoft's 3rd biggest deal in history

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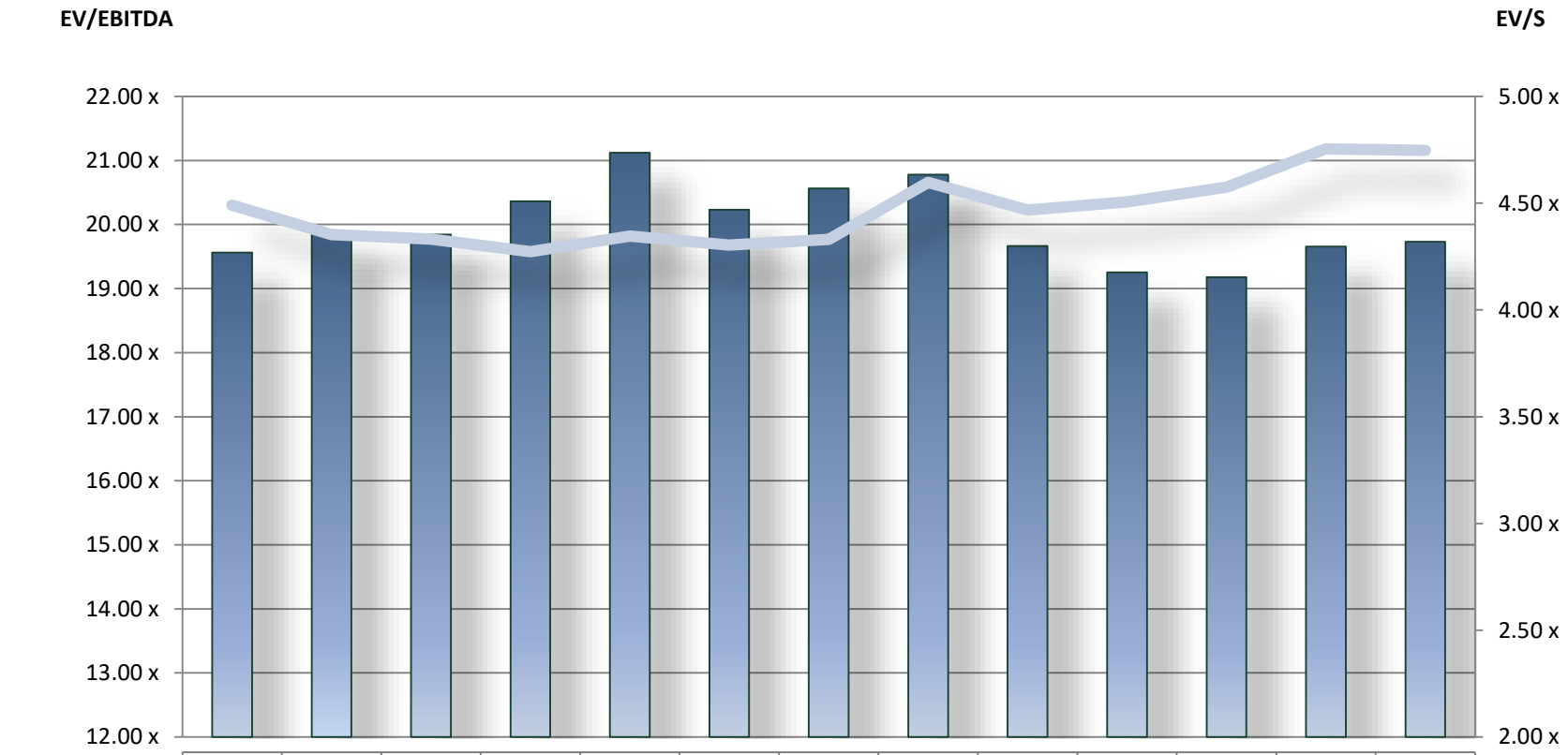
Corum's Top 10 Disruptive Tech Trends

Horizontal Application Software Market

Public Valuation Multiples

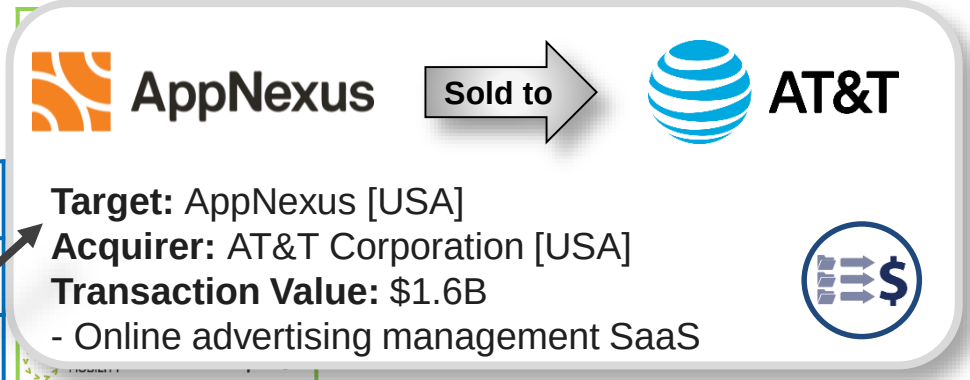


	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
EV/EBITDA	19.56 x	19.85 x	19.84 x	20.36 x	21.12 x	20.23 x	20.56 x	20.78 x	19.66 x	19.25 x	19.18 x	19.65 x	19.73 x
EV/S	4.49 x	4.35 x	4.33 x	4.27 x	4.35 x	4.30 x	4.33 x	4.60 x	4.47 x	4.51 x	4.57 x	4.75 x	4.75 x

Horizontal Application Software Valuations

Subsector	Sales	EBITDA	Examples
Business Intelligence	— 4.41x	▲ 20.20x	MicroStrategy, NICE, tableau
Marketing	▲ 4.73x	▲ 22.42x	acxiom, AllianceData, HubSpot
CRM	▲ 5.41x	— 51.80x	CONVERGYS, LIVEPERSON, salesforce
ERP	— 4.41x	— 17.67x	ORACLE, PEGA, SAP
Human Resources	— 7.48x	— 42.35x	ADP, PAYCHEX (Payroll • HR • Retirement • Insurance), workday.
SCM	▲ 5.03x	▲ 31.08x	aspentech, DESCARTES, Manhattan Associates
Payments	▲ 4.99x	▲ 22.09x	ACI UNIVERSAL PAYMENTS, PayPal, vantiv
Other	▼ 2.94x	▲ 19.37x	NUANCE, opentext™, Trimble

2018 Mega Deals – YTD



CONSUMER	IT SERVICES	HORIZONTAL	VERTICAL	INTERNET	INFRASTRUCTURE
SimpliSafe / Hellman & Friedman $1.0B	intelenet / Teleperformance $1.0B	POWERPLAN / ROPER $1.1B	Callcredit / TransUnion $1.4B	Pill Pack / amazon $1.0B	AVIGILON / MOTOROLA SOLUTIONS $1.0B
SNAITECH / playtech $1.1B	web.com / SIRIS $2.0B	CommerceHub / GTCR $1.1B	IPREO / IHS Markit $1.9B	glassdoor / RECRUIT $1.2B	Mitel / SEARCHLIGHT $1.4B
mobike / 美团 meituan.com $3.7B	DST / SS&C $5.1B	AppNexus / AT&T $1.6B	flatiron / Roche $1.9B	YOOX NET-A-PORTER GROUP / RICHEMONT $3.4B	Polycom / plantronics $2.0B
sky BETTING & GAMING / STARS GROUP $4.7B	CSRA / GENERAL DYNAMICS $6.8B	Adaptive Insights / workday $1.6B	BAYER Digital Farming division / BASF $2.1B	ele.me / Alibaba.com $5.4B	SUSE / IEQT $2.5B
		x.commerce / Adobe $1.7B	LIFESCAN / Platinum Equity $2.1B	Flipkart / Walmart $16B	orbotech / KLA-Tencor $3.4B
		iZettle / PayPal $2.2B	Fidessa / ION $2.2B	THOMSON REUTERS Financial Markets & IB Business / The Blackstone Group $17B	MuleSoft / salesforce $6.6B
		acxiom / IPG $2.3B	ZPG / SILVERLAKE $3.0B		GitHub / Microsoft $7.5B
		CONVERGYS / SYNNEX $2.4B	Cotiviti / vericend $4.2B		bmc / KKR $8.3B
		CallidusCloud / SAP $2.4B	NEX / CME Group $5.4B		ca technologies / BROADCOM $19B
		Verifone / FP FRANCISCO PARTNERS $2.6B			
		SIX / Worldline $2.8B			
		BLACKHAWK NETWORK / SILVERLAKE $3.5B			
$11B	$15B	$25B	$30B	$44B	$52B

Horizontal Application Software Market

Deal Spotlights: Marketing

reelio **Sold to** FULLSCREEN

Target: Reelio [USA]
Acquirer: Fullscreen [Otter Media] [USA]
- Influencer marketing platform

PULPIX **Sold to** AD YOU LIKE.

Target: Pulpix [USA]
Acquirer: ADYOULIKE [France]
- Video personalization technology

Sold to aptean

Target: TheySay [United Kingdom]
Acquirer: Aptean [Vista Equity Partners] [USA]
- Emotion detection technology

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Horizontal Application Software Market

Deal Spotlights: Payments

cloudcraze **Sold to** salesforce

Target: CloudCraze [USA]
Acquirer: Salesforce [USA]
- Salesforce-based solutions for B2B commerce

iMobile3 **Sold to** TSYS®

Target: iMobile3 [USA]
Acquirer: Total System Services [dba TSYS] [USA]
- Mobile and Web payment applications

frontstream™ **Sold to** MARLIN EQUITY PARTNERS

Target: FrontStream Holdings [Arsenal Capital Partners] [USA]
Acquirer: Marlin Equity Partners [USA]
- Online donation platform

INDEX SYSTEMS INC **Sold to** stripe

Target: Index Systems [USA]
Acquirer: Stripe [USA]
- Point of sale products for the hospitality industry

2018 Mega Deals – YTD

iZettle **Sold to** PayPal

Target: iZettle [Sweden]
Acquirer: PayPal Holdings [USA]
Transaction Value: $2.2B
- Mobile POS systems

CONSUMER	IT SERVICES	HORIZONTAL	VERTICAL	INTERNET	INFRASTRUCTURE
SimpliSafe, Hellman & Friedman $1.0B	intelenet, Teleperformance $1.0B	Adaptive Insights, workday $1.6B	drillinginfo, GENSTAR $1.0B	Pill Pack, amazon $1.0B	avigilon, Motorola Solutions $1.0B
SNAITECH, playtech $1.1B	web.com, SIRIS $2.0B	x.commerce, Adobe $1.7B	GE Healthcare, Healthcare IT assets, Veritas Capital $1.1B	glassdoor, Recruit $1.2B	Mitel, Searchlight $1.4B
mobike, 美团 meituan.com $3.7B	DST Master Complexity, SS&C $5.1B	iZettle, PayPal $2.2B	ABILITY, inovalon $1.2B	YOOX NET-A-PORTER GROUP, Richemont $3.4B	Polycom, plantronics. $2.0B
sky Betting & Gaming, The Stars Group $4.7B	CSRA Think Next. Now., General Dynamics $6.8B	acxiom, IPG $2.3B	VIEWPOINT, Trimble $1.2B	ele.me, Alibaba.com $5.4B	SUSE, IEQT $2.5B
		CONVERGYS, SYNNEX $2.4B	VERRA MOBILITY, The Gores Group $1.3B	Flipkart, Walmart $16B	orbotech, KLA Tencor $3.4B
		CallidusCloud, SAP $2.4B	Callcredit, TransUnion $1.4B	Thomson Reuters Financial Markets & Business, The Blackstone Group $17B	MuleSoft, salesforce $6.6B
		Verifone, FP Francisco Partners $2.6B	IPREO, IHS Markit $1.9B		GitHub, Microsoft $7.5B
		SIX, Worldline $2.8B	flatiron, Roche $1.9B		bmc, KKR $8.3B
		BLACKHAWK NETWORK, SilverLake $3.5B	Bayer, Digital Farming division, BASF $2.1B		ca technologies, BROADCOM $19B
			LIFESCAN, Platinum Equity $2.1B		
			Fidessa, ION $2.2B		
			ZPG, SilverLake $3.0B		
			Cotiviti, vercend $4.2B		
			NEX, CME Group $5.4B		
$11B	$15B	$25B	$30B	$44B	$52B

Horizontal Application Software Market

Deal Spotlight: Customer Analytics

JETLORE THE PREDICTION PLATFORM™ → Sold to → PayPal

Target: Jetlore [USA]
Acquirer: PayPal [USA]

- AI-powered platform for retail
- Complements PayPal Marketing solutions
- Expands PayPal's market to retailers' online storefronts

Horizontal Application Software Market

Deal Spotlights: SCM

ONIQUA **Sold to** IBM

Target: Oniqua [The ASCO Group] [Australia]
Acquirer: IBM [USA]
- Cloud-based MRO analytics solutions

Avetta **Sold to** WCAS

Target: Avetta [USA]
Acquirer: Welsh, Carson, Anderson & Stowe [USA]
- Cloud-based supply chain risk management and commercial marketplace platform

FSEnet+ **Sold to** Gladson

Target: FSEnet+ [USA]
Acquirer: Gladson [Wicks Group of Companies] [USA]
- Supply chain SaaS

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Horizontal Application Software Market

Deal Spotlights: Business Intelligence

ACCOMPANY **Sold to** CISCO

Target: Accompany [USA]
Acquirer: Cisco [USA]
Transaction Value: $270M
- Relationship intelligence platform

Angoss **Sold to** DATAWATCH

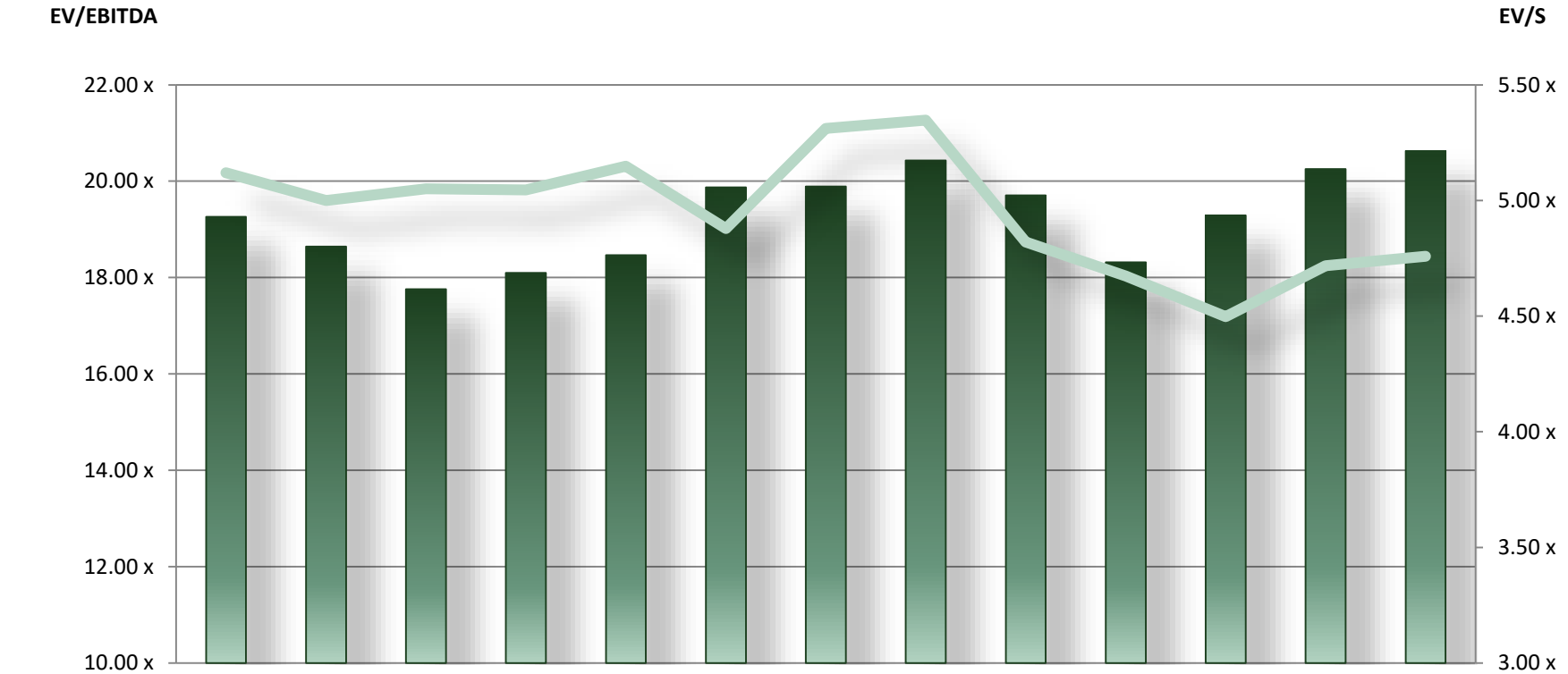
Target: Angoss Software Corporation [Peterson Partners] [Canada]
Acquirer: Datawatch Corporation [USA]
Transaction Value: $24.5M
- Predictive analytics and business intelligence software

brightfunnel **Sold to** Terminus

Target: BrightFunnel [USA]
Acquirer: Terminus Software [USA]
- Revenue Intelligence platform

Vertical Application Software Market

Public Valuation Multiples



	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
EV/EBITDA	19.26 x	18.65 x	17.76 x	18.10 x	18.47 x	19.87 x	19.89 x	20.43 x	19.70 x	18.31 x	19.29 x	20.25 x	20.62 x
EV/S	5.12 x	5.00 x	5.05 x	5.05 x	5.15 x	4.88 x	5.31 x	5.35 x	4.82 x	4.67 x	4.50 x	4.72 x	4.76 x

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Vertical Application Software Valuations

Subsector	Sales	EBITDA	Examples		
A/E/C	▲ 8.82x	▲ 30.16x	AUTODESK	DASSAULT SYSTEMES	SYNOPSYS
Automotive	— 4.52x	— 16.60x	Autotrader	BitAuto 易车	CDK Global
Energy & Environment	— 3.42x	— 15.58x	IHS Markit	Itron	Schlumberger
Financial Services	— 5.76x	▲ 21.12x	Broadridge	FIS	fiserv.
Government	— 2.24x	▼ 14.54x	NORTHROP GRUMMAN	Raytheon	tyler technologies
Healthcare	▲ 3.32x	▲ 28.16x	Allscripts	athenahealth	Cerner
Real Estate	▲ 7.61x	▼ 29.76x	CoreLogic	CoStar Group	Zillow
Vertical Other	▼ 3.13x	— 14.71x	AMADEUS	Rockwell Automation	Sabre

Vertical Application Software Market

Deal Spotlights: Patient Engagement

HealthGrid **Sold to** Allscripts™

Target: HealthGrid [USA]
Acquirer: Allscripts [USA]
Transaction Value: $60M
- Mobile enterprise patient engagement platform

Vatica Health THE FUTURE OF HEALTHCARE™ **Sold to** Great Hill PARTNERS

Target: Vatica Health [USA]
Acquirer: Great Hill Partners [USA]
- Cloud-based software for Medicare's annual wellness visit

caradigm **Sold to** inspirata™

Target: Caradigm USA [GE Healthcare] [USA]
Acquirer: Inspirata [USA]
- Intelligent healthcare analytics and population health management solutions

messagebeam **Sold to** mPulse™ mobile

Target: MessageBeam [aka Message Beam] [USA]
Acquirer: mPulse Mobile [USA]
- Healthcare mobile messaging SaaS

Vertical Application Software Market

Deal Spotlights: Healthcare

CodeMetro **Sold to** Strategic Investor

Target: CodeMetro [USA]
Acquirer: Strategic Investor

- Business solutions for the special needs care community

INFIAN **Sold to** QMS

Target: Infian [USA]
Acquirer: Quantitative Medical Systems [Constellation Software] [USA]

- EHR, medical billing systems and revenue cycle management services

CORUM

Vertical Application Software Market

Deal Spotlights: Life Sciences

SHYFT ANALYTICS **Sold to** medidata

Target: SHYFT Analytics [USA]
Acquirer: Medidata Solutions [USA]
Transaction Value: $195M, ~8x revenue
- Cloud-based data, analytics, and mobile solutions for the life sciences industry

SCIO health analytics **Sold to** EXL

Target: SCIO Health Analytics [USA]
Acquirer: EXL Service [USA]
Transaction Value: $240M
- Healthcare analytics solutions

CORE INFORMATICS **Sold to** ThermoFisher SCIENTIFIC

Target: Core Informatics [USA]
Acquirer: Thermo Fisher Scientific [USA]
Transaction Value: $90M, ~9x revenue
- Laboratory informatics software solutions

Genohm **Sold to** Agilent Technologies

Target: Genohm [Switzerland]
Acquirer: Agilent Technologies [USA]
- Cloud-based laboratory management software

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Vertical Application Software Market

Deal Spotlights: Architecture, Engineering, Construction (A/E/C)

planswift® The #1 Takeoff & Estimating Software — **Sold to** — constructconnect™

Target: PlanSwift [USA]
Acquirer: ConstructConnect [USA]

- Construction takeoff & estimating software
- Sold by Corum to Textura in 2013

Stabiplan — **Sold to** — Trimble

Target: Stabiplan [Netherlands]
Acquirer: Trimble [USA]

- CAD-based software for mechanical, electrical and plumbing engineering

CORUM

Vertical Application Software Market

Deal Spotlights: Financial Services

HeavyWater → Sold to → BLACK KNIGHT

Target: HeavyWater [USA]
Acquirer: Black Knight [USA]

- Transactional AI SaaS mortgage lending platform

ARMANTA™ → Sold to → IBM

Target: Armanta [USA]
Acquirer: IBM [USA]

- Business intelligence platform for end-to-end analytic processes

Vertical Application Software Market

Deal Spotlights: Financial Services

sageworks → Sold to → AKKR ACCEL-KKR

Target: Sageworks [USA]
Acquirer: Accel-KKR Company [USA]

- Financial analysis and risk management solutions

mst → Sold to → Banker's Toolbox

AKKR ACCEL-KKR

Target: MainStreet Technologies [USA]
Acquirer: Bankers Toolbox [Accel-KKR Company] [USA]

- Loan portfolio risk management software

Vertical Application Software Market

Deal Spotlight: Financial Services

Lending Manager → Sold to → loyaltyexpress™

Target: Lending Manager [USA]
Acquirer: LoyaltyExpress [New Capital Partners] [USA]

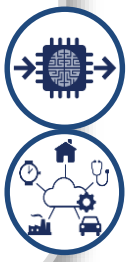
- POS solutions for lenders and loan officer websites
- Automates lead flow and associated marketing of the loan process

Vertical Application Software Market

Deal Spotlights: Hexagon

Sold to HEXAGON

Target: AutonomouStuff [USA]
Acquirer: Hexagon [Sweden]
- Engineering services and automotive software
- Boosts Hexagon's positioning intelligence solutions



NCSIMUL SOLUTIONS SPRING Technologies

Sold to HEXAGON

Target: Spring Technologies [France]
Acquirer: Hexagon [Sweden]

- CNC software solutions for manufacturing

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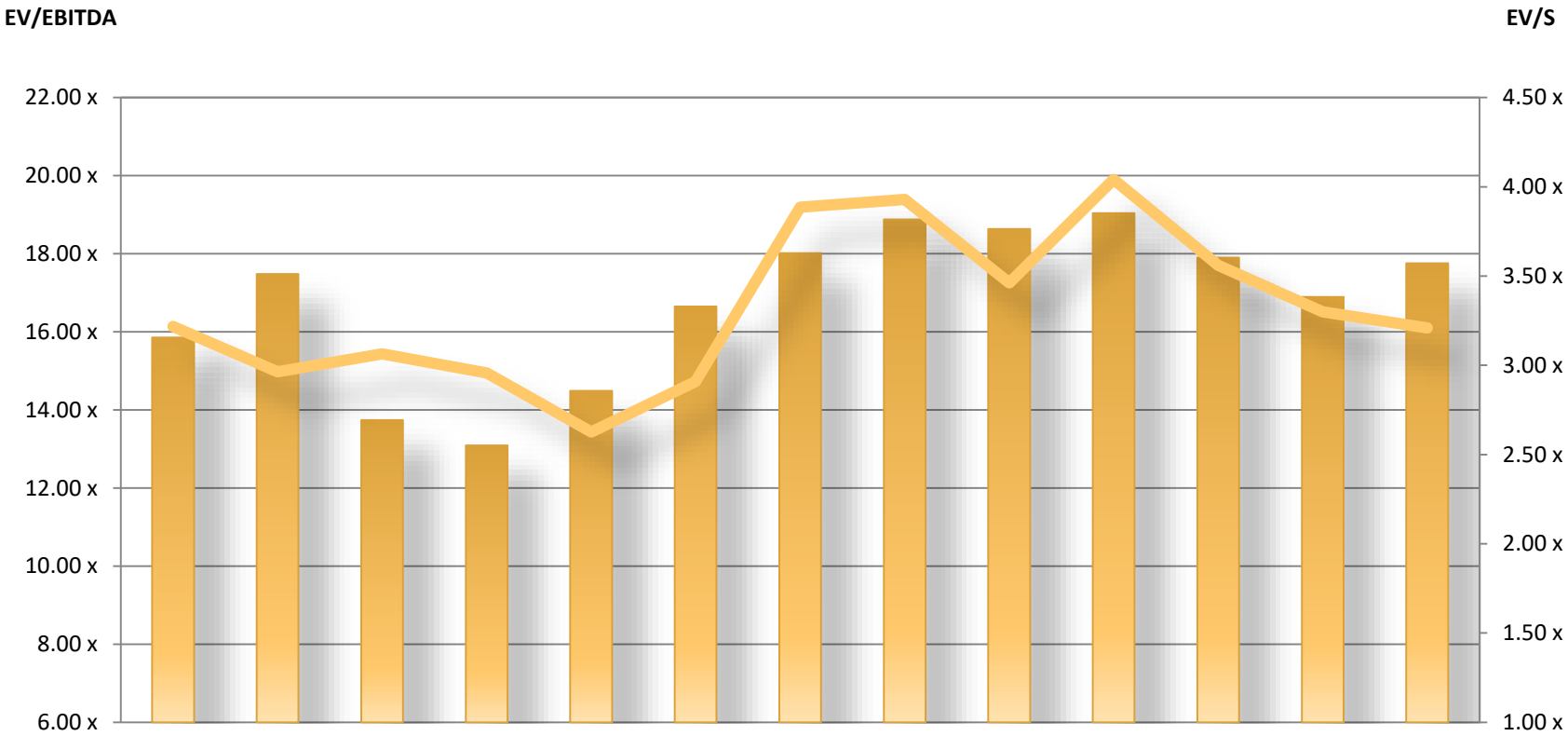
Consumer Application Software Market

Public Valuation Multiples



	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
EV/EBITDA	15.85 x	17.48 x	13.74 x	13.09 x	14.49 x	16.65 x	18.01 x	18.88 x	18.64 x	19.04 x	17.90 x	16.90 x	17.76 x
EV/S	3.22 x	2.96 x	3.06 x	2.96 x	2.63 x	2.91 x	3.89 x	3.93 x	3.46 x	4.04 x	3.56 x	3.30 x	3.21 x

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Consumer Application Software Valuations

Subsector	Sales	EBITDA	Examples
Casual Gaming	▼ 3.24x	▲ 23.07x	glu™ KINGSOFT zynga
Core Gaming	▼ 3.54x	▼ 11.71x	ACTIVISION EA UBISOFT
Other	▲ 1.59x	N/A	GoPro NETFLIX pandora

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Consumer Application Software Market

Deal Spotlights: Games

Sold to

Target: Harebrained Holdings [USA]
Acquirer: Paradox Interactive [Sweden]
Transaction Value: $7.5M
- Online and mobile video games

Sold to

Target: 1492 Studio [France]
Acquirer: Ubisoft Entertainment France]
- Video games with free-to-play episodic and interactive stories on mobile

Consumer Application Software Market

Deal Spotlights: Microsoft

Target	Acquire	Target Country	Month	Description
Undead Labs	Microsoft	USA	June	Developer of the State of Decay franchise
Ninja Theory	Microsoft	United Kingdom	June	Developer of the Heavenly Sword, DmC: Devil May Cry
Playground Games	Microsoft	United Kingdom	June	Developer of the Forza Horizon series
Compulsion Games	Microsoft	Canada	June	Developer of Contrast and We Happy Few
PlayFab	Microsoft	USA	January	Backend platform for games (pre-E3 deal)

Consumer Application Software Market

Deal Spotlights: Sports Betting

Sold to

Target: FanDuel [USA]
Acquirer: Paddy Power Betfair [Ireland]
Transaction Value: $158M
- Online fantasy sports platform

Sold to

Target: Gameiom Technologies [Isle of Man]
Acquirer: AGS [USA]
Transaction Value: $5M
- Sports-betting game development services and content aggregation software

Sold to

Target: Nordbet [Germany]
Acquirer: Gaming Innovation Group [Norway/Malta]
- Online sports betting services

CORUM

Consumer Application Software Market

Deal Spotlights: Mobile Payments

chillr **Sold to** truecaller

Target: Chillr [India]
Acquirer: TrueCaller [Sweden]

- Digital banking mobile software

DISC HOLDINGS **Sold to** rivetz

Target: DISC Holdings [United Kingdom]
Acquirer: Rivetz [USA]

- Mobile blockchain-based payment applications

Consumer Application Software Market

Deal Spotlights: Music Streaming

pulselocker **Sold to** beatport

Target: Pulselocker [USA]
Acquirer: Beatport [USA]

- Online music streaming service

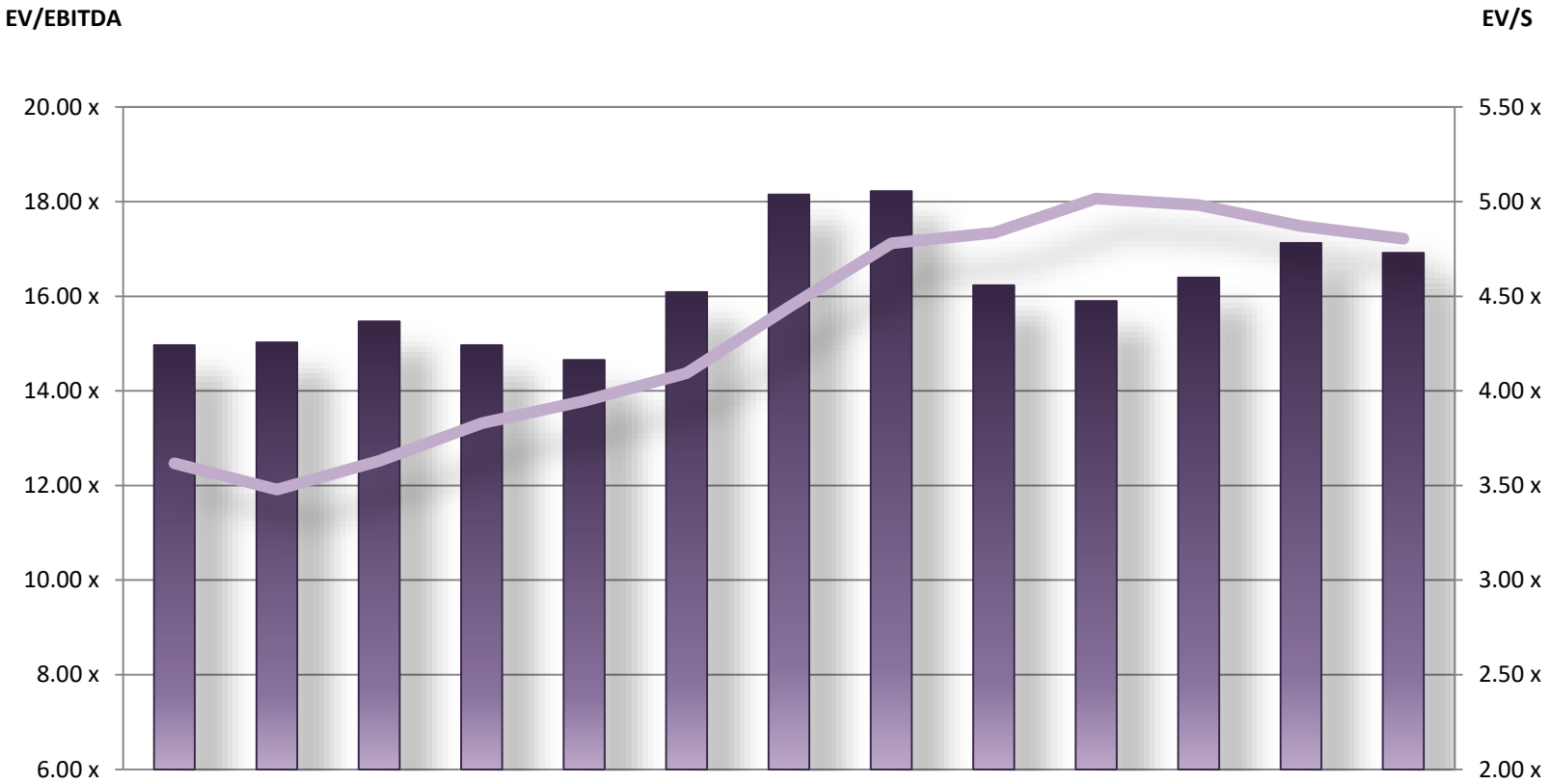
Qello CONCERTS **Sold to** STINGRAY

Target: Qello Concerts [USA]
Acquirer: Stingray Digital Media Group [Canada]
Transaction Value: $12M

- Online streaming media services for live concerts

Infrastructure Software Market

Public Valuation Multiples



	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
EV/EBITDA	14.97 x	15.03 x	15.47 x	14.97 x	14.66 x	16.09 x	18.15 x	18.22 x	16.23 x	15.90 x	16.39 x	17.13 x	16.92 x
EV/S	3.62 x	3.48 x	3.63 x	3.83 x	3.95 x	4.09 x	4.44 x	4.78 x	4.84 x	5.02 x	4.98 x	4.87 x	4.80 x

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Infrastructure Software Market

Subsector		Sales		EBITDA	Examples
Endpoint	—	4.65x	▼	17.37x	CITRIX, Opera, vmware
IT Services Management	▲	7.26x	▲	16.46x	ca technologies, redhat., servicenow
Network Management	▲	4.50x	▲	13.52x	ARISTA, CISCO, JUNIPER NETWORKS
Security	▲	5.92x	▲	31.70x	Check Point SOFTWARE TECHNOLOGIES LTD., FireEye, paloalto NETWORKS
Storage & Hosting	▲	4.02x	▲	16.11x	box, COMMVAULT, NetApp
Other	▲	6.09x	▲	14.07x	ATLASSIAN, Progress, New Relic.

Infrastructure Software Market

Deal Spotlights: Network and App Performance Monitoring

LogicMonitor **Sold to** VISTA PRIVATE EQUITY

Target: LogicMonitor [Providence Equity Partners] [USA]
Acquirer: Vista Equity Partners Management [USA]
- SaaS-based performance monitoring for IT infrastructure

savvius **Sold to** LiveAction

Target: Savvius [USA]
Acquirer: LiveAction [USA]
- Network analyzer solutions for security teams, network administrators and field technicians

AppNeta **Sold to** RUBICON technology partners

Target: AppNeta [USA]
Acquirer: Rubicon Technology Partners [USA]
- Network and end-user experience performance monitoring solutions

NETSIL **Sold to** NUTANIX

Target: Netsil [USA]
Acquirer: Nutanix [USA]
Transaction Value: $70M
- Monitoring solution and application programming interface for distributed cloud applications

Infrastructure Software Market

Deal Spotlights: Security

Sold to

Target: Sqrrl Data [USA]
Acquirer: Amazon Web Services [USA]

- Threat identification software with user and entity behavior analytics

Sold to

Target: Elastic Beam [USA]
Acquirer: Ping Identity Corporation [Vista Equity Partners] [USA]

- AI-based cyber security solutions

Infrastructure Software Market

Deal Spotlights: Identity Management

LIEBERMANSOFTWARE **Sold to** BOMGAR™

Target: Lieberman Software Corporation [USA]
Acquirer: Bomgar Corporation [Thoma Bravo] [USA]

- Privileged identity management and security management products

BOMGAR™ **Sold to** FP FRANCISCO PARTNERS

Target: Bomgar Corporation [Thoma Bravo] [USA]
Acquirer: Francisco Partners [USA]

- Identity management and incident response software

Infrastructure Software Market

Deal Spotlights: Endpoint Security

smyte. Sold to

Target: Smyte [USA]
Acquirer: Twitter [USA]
- Anti-spam, harassment and anti-bot SaaS for websites and mobile apps

ThreatTrack Sold to j2 Global

Target: ThreatTrack Security [dba VIPRE Security] [USA]
Acquirer: j2 Global [USA]
- Cyber security solutions to expose, analyze, and eliminate malicious threats

SECDO Sold to paloalto NETWORKS

Target: Secdo [USA]
Acquirer: Palo Alto Networks [USA]
Transaction Value: $100M
- Cyber solutions for detection, investigation, and remediation of advanced threats

Infrastructure Software Market

Deal Spotlight: Data backup and Recovery

evident.io

Sold to

paloalto NETWORKS

Target: Evident.io [USA]
Acquirer: Palo Alto Networks [USA]
Transaction Value: $300M

- Enterprise security SaaS, including risk & compliance services
- Extends Palo Alto's API-based security capabilities

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Infrastructure Software Market

Deal Spotlight: DevOps Incident Management

VictorOps → Sold to → splunk>

Target: VictorOps [USA]
Acquirer: Splunk [USA]
Transaction Value: $120M

- Compliance SaaS and AWS infrastructure security automation
- Adds collaborative incident management tools to Splunk

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Infrastructure Software Market

Deal Spotlights: Data Backup and Recovery

CloudRanger → Sold to → druva

Target: CloudRanger [Ireland]
Acquirer: Druva Software [USA]

- Backup software for creating policies and disaster recovery

zmanda → Sold to → BETSOL®

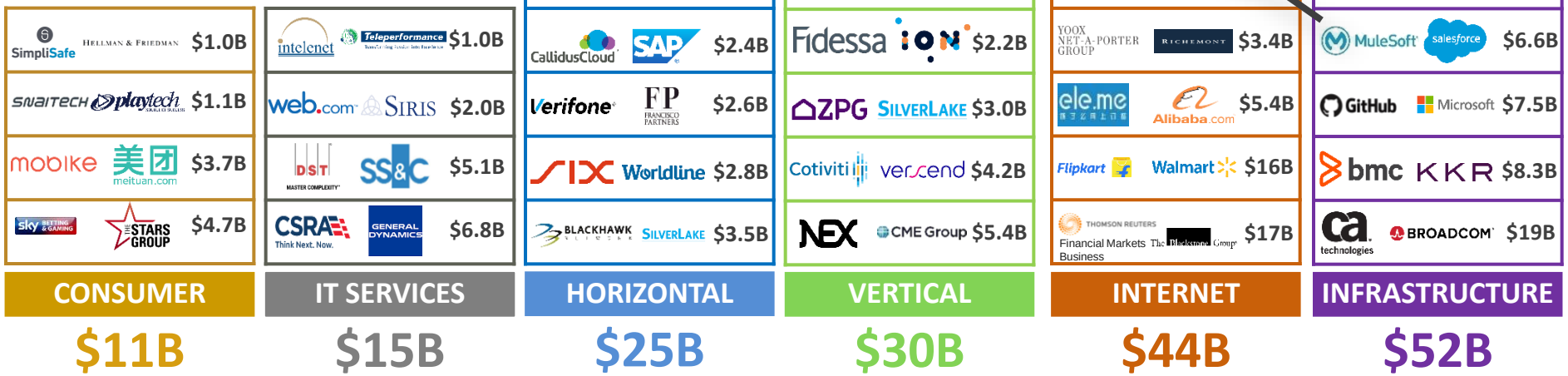
Target: Zmanda [Carbonite] [USA]
Acquirer: Betsol [USA]

- Open source backup and disaster recovery software

2018 Mega Deals – YTD

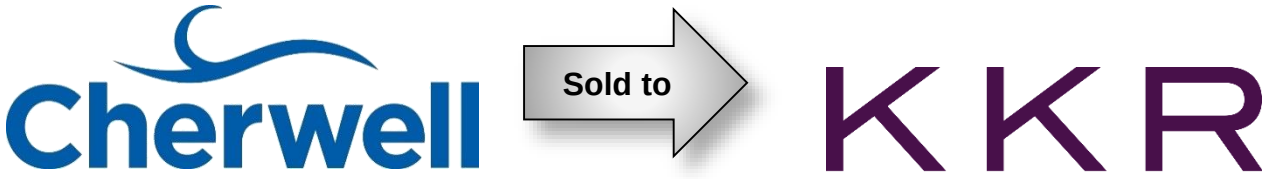
MuleSoft **Sold to** salesforce

Target: MuleSoft [USA]
Acquirer: Salesforce [USA]
Transaction Value: $6.6B
- Application & data integration software



Infrastructure Software Market

Deal Spotlight: IT Service Management

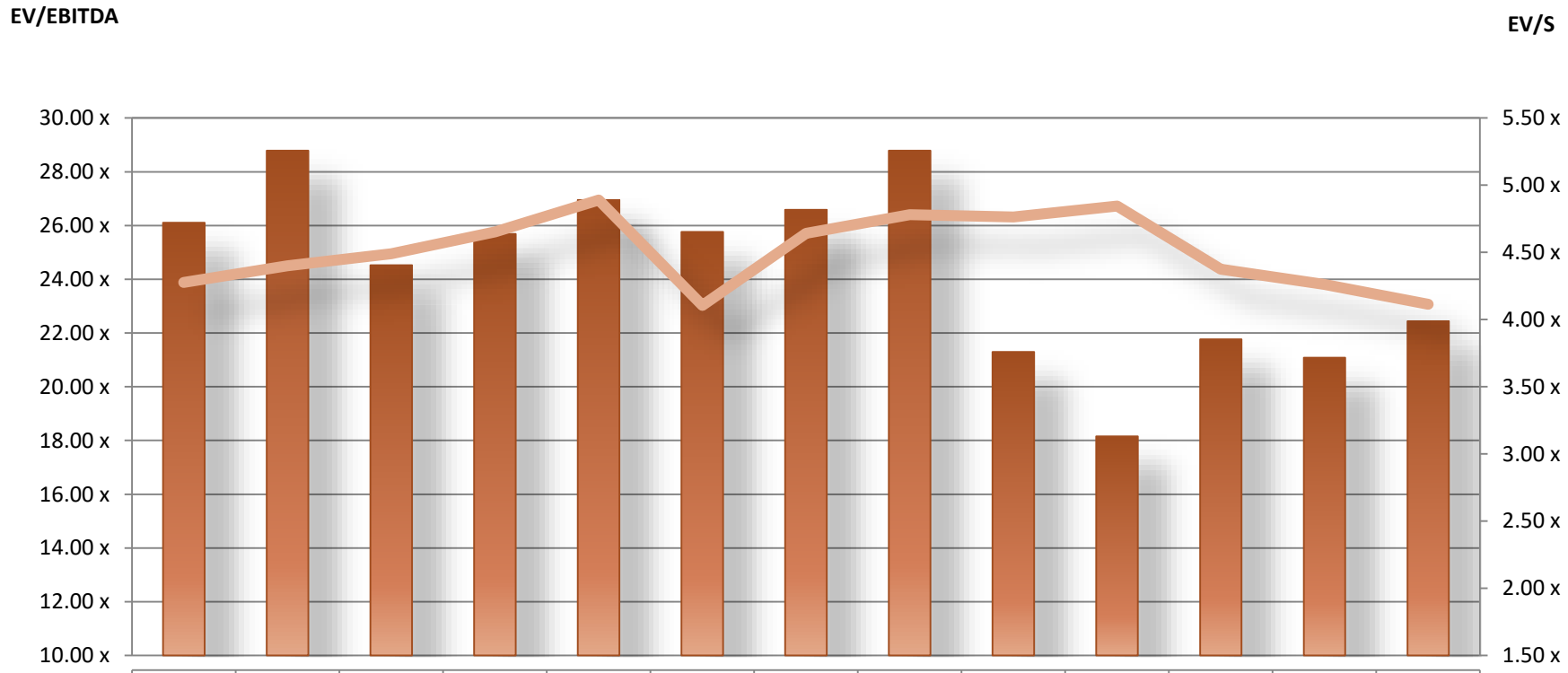


Target: Cherwell Software [USA]
Acquirer: Kohlberg Kravis Roberts [dba KKR] [USA]
Transaction Value: $172M

- SaaS and IT service management platform
- Follows KKR's $50M investment made in Cherwell in February 2017

Internet Market

Public Valuation Multiples



	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
EV/EBITDA	26.11 x	28.79 x	24.53 x	25.69 x	26.95 x	25.76 x	26.58 x	28.79 x	21.30 x	18.16 x	21.77 x	21.09 x	22.44 x
EV/S	4.28 x	4.40 x	4.49 x	4.65 x	4.89 x	4.11 x	4.64 x	4.78 x	4.76 x	4.84 x	4.37 x	4.26 x	4.11 x

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Internet Software Valuations

Subsector	Sales	EBITDA	Examples
Diversified Internet	▼ 4.67x	▲ 22.44x	Alphabet, Baidu 百度, Tencent 腾讯
eCommerce	▼ 0.72x	▲ 50.83x	ebay, JD.COM 京东, zalando
Social Network	— 8.15x	▲ 20.23x	facebook, mixi GROUP, twitter
Travel & Leisure	▼ 7.56x	— 25.72x	Expedia, JUST EAT, priceline.com

CORUM

2018 Mega Deals – YTD

Pill Pack **Sold to** amazon

Target: PillPack [USA]
Acquirer: Amazon.com [USA]
Transaction Value: $1.0B (reported)
- Pre-sorted medication online retail & delivery services

CONSUMER	IT SERVICES	HORIZONTAL	VERTICAL	INTERNET	INFRASTRUCTURE
SimpliSafe Hellman & Friedman $1.0B	intelenet Teleperformance $1.0B	Adaptive Insights workday $1.6B	drillinginfo GENSTAR $1.0B	Pill Pack amazon $1.0B	avigilon Motorola Solutions $1.0B
SNAITECH playtech $1.1B	web.com SIRIS $2.0B	x.commerce Adobe $1.7B	GE Healthcare IT assets Veritas Capital $1.1B	glassdoor RECRUIT $1.2B	Mitel SEARCHLIGHT $1.4B
mobike 美团 meituan.com $3.7B	DST SS&C $5.1B	iZettle PayPal $2.2B	BILITY inovalon $1.2B	YOOX NET-A-PORTER GROUP RICHEMONT $3.4B	Polycom plantronics $2.0B
sky BETTING & GAMING STARS GROUP $4.7B	CSRA GENERAL DYNAMICS $6.8B	acxiom IPG $2.3B	VIEWPOINT Trimble $1.2B	ele.me Alibaba.com $5.4B	SUSE IEQT $2.5B
		CONVERGYS SYNNEX $2.4B	VERRA MOBILITY The Gores Group $1.3B	Flipkart Walmart $16B	orbotech KLA-Tencor $3.4B
		CallidusCloud SAP $2.4B	Callcredit TransUnion $1.4B	THOMSON REUTERS Financial Markets Business The Blackstone Group $17B	MuleSoft salesforce $6.6B
		Verifone FP Francisco Partners $2.6B	IPREO IHS Markit $1.9B		GitHub Microsoft $7.5B
		IX Worldline $2.8B	flatiron Roche $1.9B		bmc KKR $8.3B
		BLACKHAWK NETWORK SILVERLAKE $3.5B	BAYER Digital Farming division BASF $2.1B		ca technologies BROADCOM $19B
			LIFESCAN Johnson & Johnson company Platinum Equity $2.1B		
			Fidessa ION $2.2B		
			ZPG SILVERLAKE $3.0B		
			Cotiviti verscend $4.2B		
			NEX CME Group $5.4B		
$11B	**$15B**	**$25B**	**$30B**	**$44B**	**$52B**

Internet Market

Deal Spotlights: Food Delivery

Target	Acquirer	Month	Value	Description
	Kroger	Jan.	$200M	Fresh ingredients and recipe delivery service
FAVOR	H-E-B	May	-	Food-delivery and all-purpose courier service
GREEN CHEF	Hello FRESH	Mar.	-	Subscription-based organic products delivery
ANDO	UBER eats	Jan.	-	Online food delivery service
orderTalk	UBER eats	May	-	Online ordering software and solutions for restaurants
WAITR	LANDCADIA HOLDINGS	May	$308M	Food ordering and management mobile application

Internet Market

Deal Spotlights: Travel Booking

travel counsellors → **Sold to** → VITRUVIAN PARTNERS

Target: Travel Counsellors [Equistone] [United Kingdom]
Acquirer: Vitruvian Partners /Travel Counsellors management [United Kingdom]
Transaction Value: $333.72M
- MBO of business and leisure travel services company

BACKBID → **Sold to** → HotelPlanner

Target: BackBid [Canada]
Acquirer: HotelPlanner.com [USA]
- Online hotel booking services

triphappy → **Sold to** → trivago (Expedia)

Target: TripHappy [USA]
Acquirer: trivago.com [Expedia] [Germany]
- Neighborhood-based accommodation booking platform

loveholidays → **Sold to** → LIVINGBRIDGE

Target: loveholidays.com [United Kingdom]
Acquirer: Livingbridge [United Kingdom]
- Online travel services focused on beach holidays

Internet Market

Deal Spotlights: Social Networks

Target	Acquirer	Value	Month	Description
slickdeals	Goldman Sachs HEARST	$500M+ (reported)	Jun.	Online shopping deal search solutions
K	PATREON	-	Jun.	Online community for sharing products grouped into kits
flickr	SmugMug	-	Apr.	Online image and photo management and sharing services
fixya	verticalscope	-	Jun.	Online community based troubleshooting resource for consumer generated, practical product tips
polyvore	SSENSE	-	Jul.	Online community that connects brands with influencers

Internet Market

Deal Spotlights: Dating

Hinge → Sold to → matchgroup

Target: Hinge [USA]
Acquirer: Match Group [IAC] [USA]

- A dating app tailored toward “quality relationships”

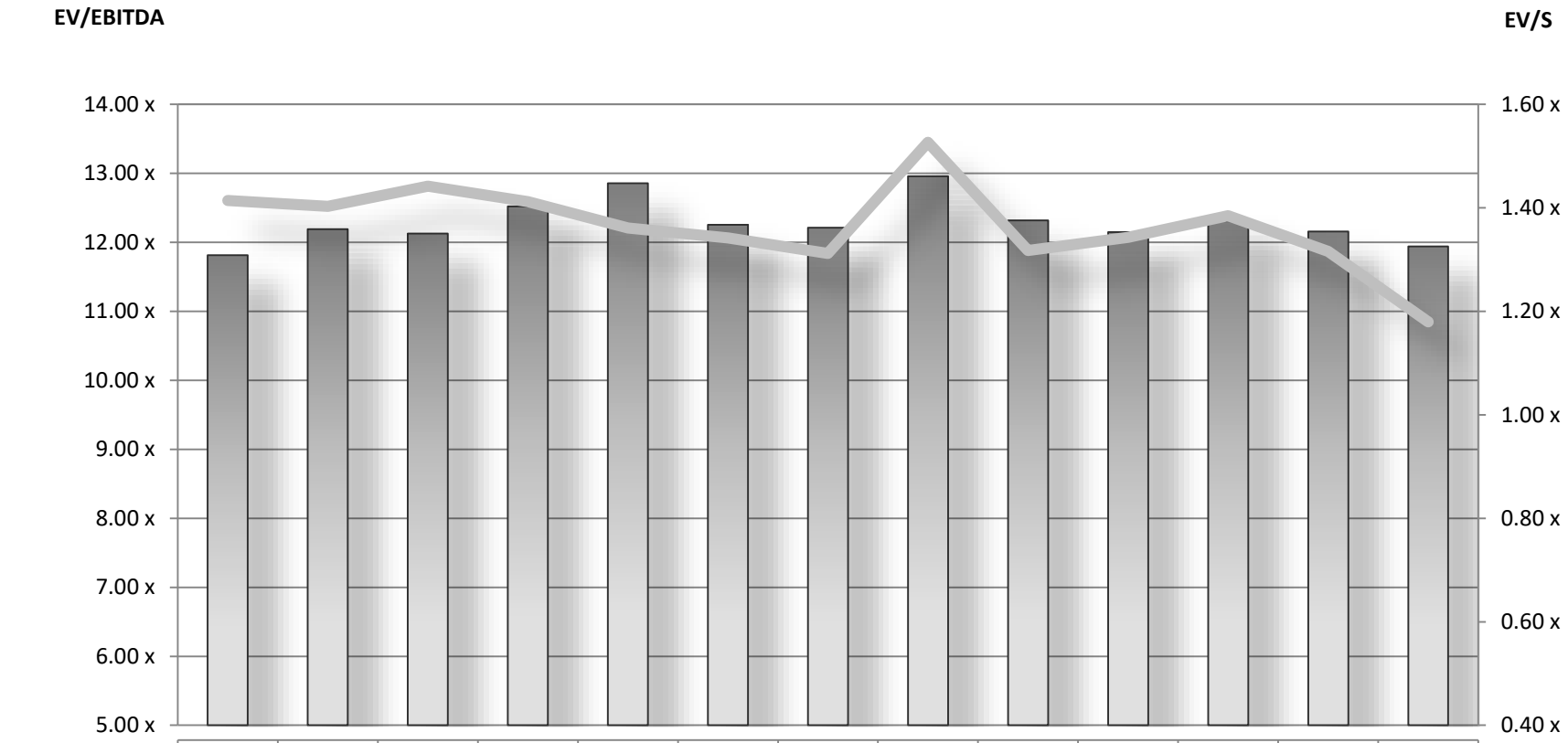
Sold to → MOMO

Target: Tantan [China]
Acquirer: Momo [China, NASDAQ: MOMO]
Transaction Value: $775M

- Tinder-like dating app

IT Services – Developed Markets

Public Valuation Multiple

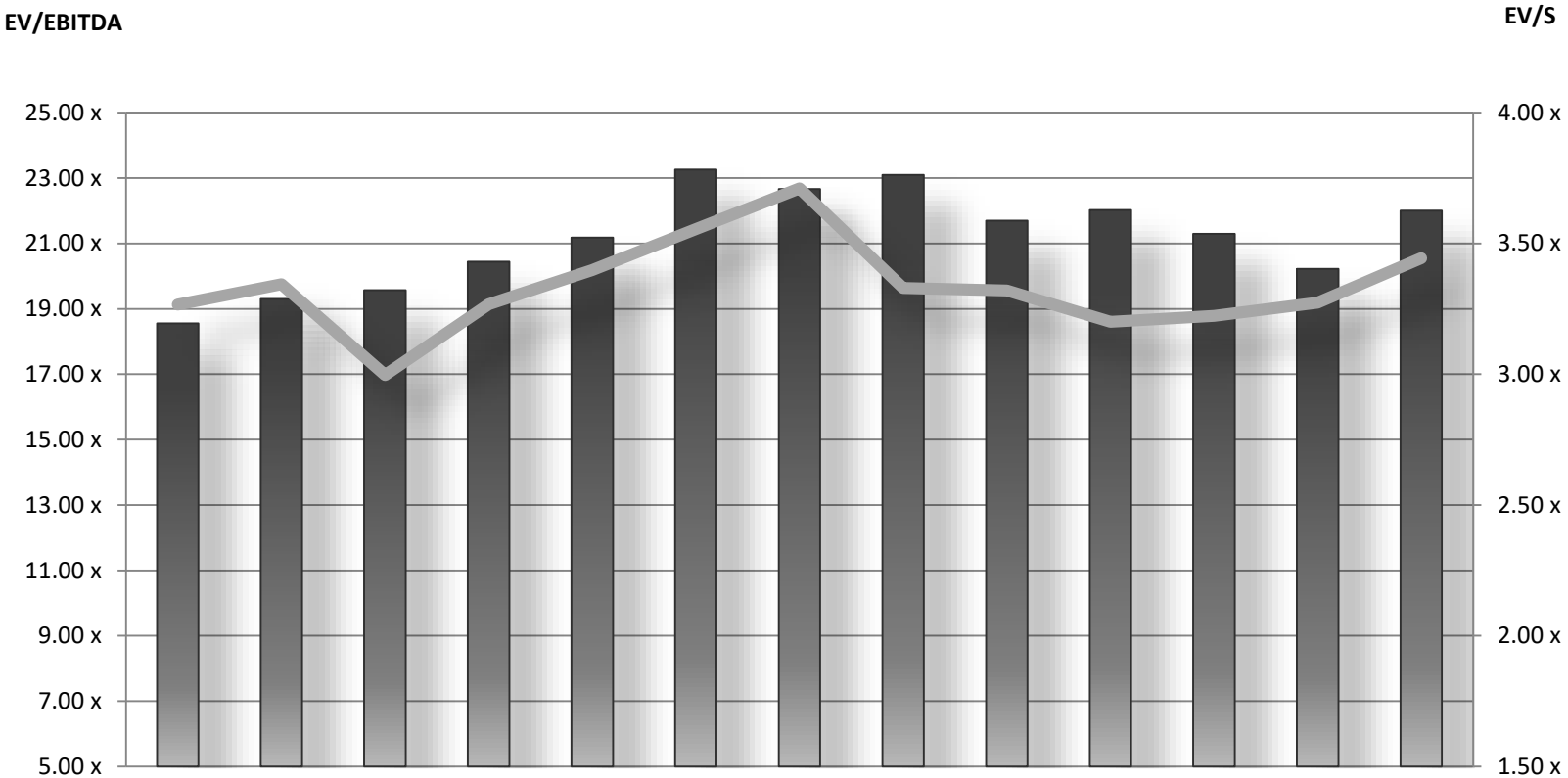


	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
EV/EBITDA	11.81 x	12.19 x	12.13 x	12.52 x	12.86 x	12.26 x	12.21 x	12.96 x	12.32 x	12.15 x	12.31 x	12.16 x	11.94 x
EV/S	1.41 x	1.40 x	1.44 x	1.41 x	1.36 x	1.34 x	1.31 x	1.53 x	1.32 x	1.34 x	1.38 x	1.32 x	1.18 x

CORUM

IT Services – Emerging Markets

Public Valuation Multiples



	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
EV/EBITDA	18.55 x	19.31 x	19.57 x	20.45 x	21.18 x	23.26 x	22.67 x	23.09 x	21.70 x	22.02 x	21.30 x	20.22 x	22.01 x
EV/S	3.27 x	3.34 x	3.00 x	3.27 x	3.40 x	3.55 x	3.71 x	3.33 x	3.32 x	3.20 x	3.22 x	3.27 x	3.44 x

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IT Services – Emerging Markets

Deal Spotlights: BPO Services

Sold to

Target: IESA [United Kingdom]
Acquirer: Electrocomponents [United Kingdom]
Transaction Value: $118M
- Outsourced procurement, inventory and stores management services

Runway

Sold to

Target: Runway [Latvia]
Acquirer: The Webhelp Group [Charterhouse Capital] [France]
- Nearshoring services with tailor made BPO solutions

SELLBYTEL / GROUP

Sold to

Target: Sellbytel Group [Omnicom Group] [Germany]
Acquirer: The Webhelp Group [Charterhouse Capital] [France]
- BPO services and solutions

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IT Services – Emerging Markets

Deal Spotlights: BPO Services

SHIFT → Sold to → MUDD ADVERTISING

Target: SHIFT [USA]
Acquirer: Mudd Advertising [USA]

- Communication supply chain solutions and BPO services

C5MI LET'S TRANSFORM → Sold to → YASH Technologies

Target: C5MI [USA]
Acquirer: YASH Technologies [India]

- Management and operational technology consultancy

IT Services – Emerging Markets

Deal Spotlights: Cybersecurity Services

MWR → Sold to → F-Secure

Target: MWR InfoSecurity [United Kingdom]
Acquirer: F-Secure Corporation [Finland]
Transaction Value: $106.2M and 4.9x EV/Sales revenue
- Information security, compliance, and management services

agenci → Sold to →

Target: Agenci [United Kingdom]
Acquirer: The Cyberfort Group [Palatine Private Equity] [United Kingdom]
- ISO 27001 certification, GDPR, managed security services

SKYPORT SYSTEMS → Sold to → CISCO

Target: Skyport Systems [USA]
Acquirer: Cisco [USA]
- Security and hyper-secured infrastructure solutions

IT Services – Emerging Markets

Deal Spotlights: SAP System Integration

ENVOY → Sold to → KPS

Target: Envoy Digital [United Kingdom]
Acquirer: KPS [Germany]
- SAP Hybris e-commerce agency

sybit → Sold to → itelligence (NTT DATA Business Solutions)

Target: Sybit [Germany]
Acquirer: intelligence [Germany]
- SAP CRM, E-Business and content management services

genius (Alles Außer Gewöhnlich) → Sold to → NTT DATA

Target: gen-ius dms [Germany]
Acquirer: NTT DATA Corporation [NTT] [Japan]
- SAP-based dealer-management solutions for the automotive industry

IT Services – Emerging Markets

Deal Spotlights: SAP System Integration

Sold to

Target: Kash Solutions [USA]
Acquirer: 10Pearls [USA]
- SAP Ariba's solutions: implementation, post production support

Sold to

One Equity Partners

Target: Rizing [USA]
Acquirer: One Equity Partners [USA]
- SAP functional and technical services

Sold to

Target: Aasonn [USA]
Acquirer: Rizing [One Equity Partners] [USA]
- SAP SuccessFactors-based consulting, systems implementation and outsourced services

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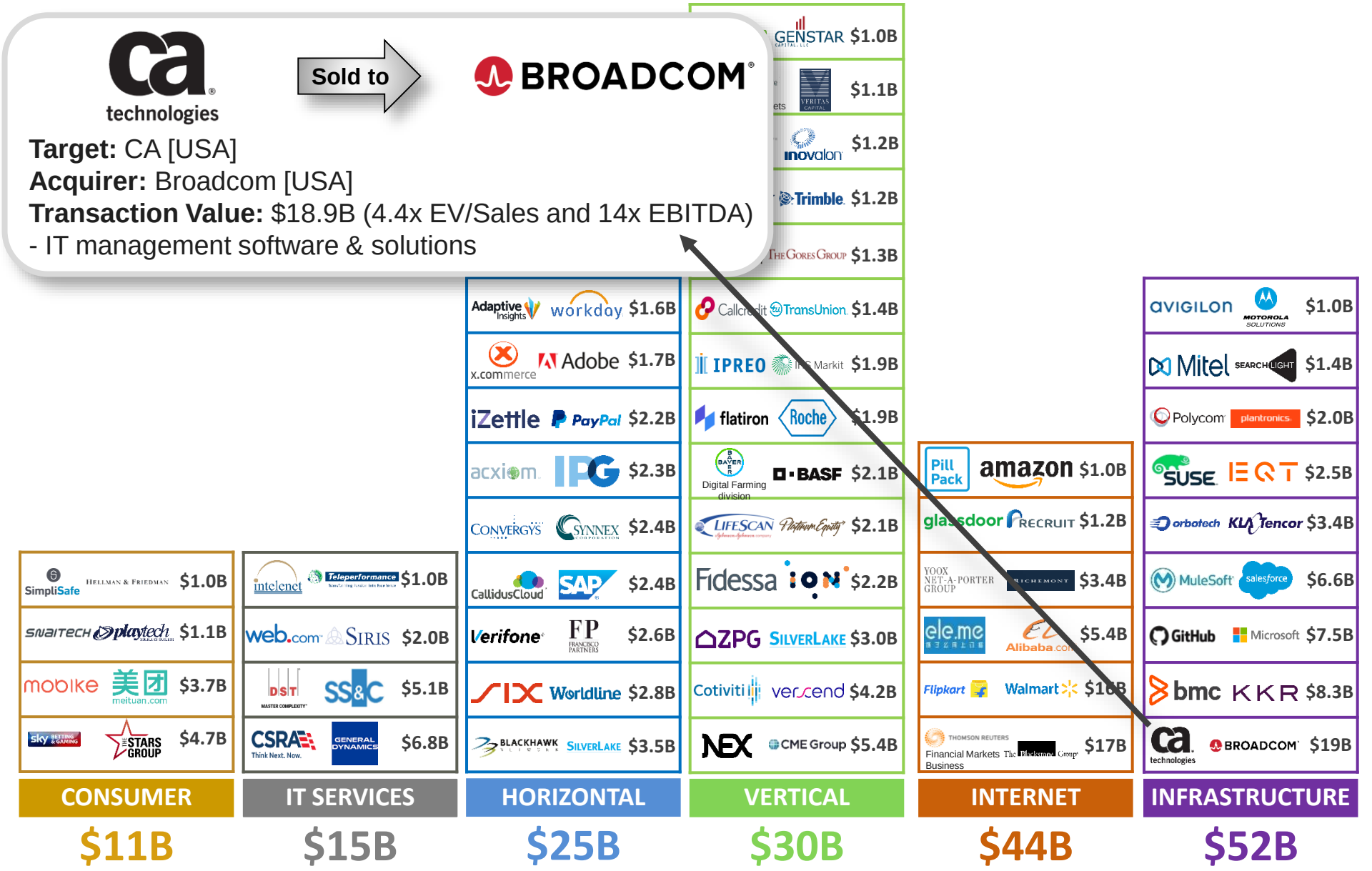
2018 Mega Deals – YTD



Corum Research Report

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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."

Jul. 17: **San Jose** – MB

Aug. 2: **Seattle** – Invite-Only

Aug. 7: **Melbourne** – SUSO

Aug. 9: **Adelaide** – MB

Aug. 9: **Pittsburgh** – SUSO

Aug. 13: **Auckland** – MB

Aug. 15: **Las Vegas** – MB

Aug. 16: **Reno** – MB

Aug. 21: **Bogota** – MB

Aug. 23: **Kelowna** – MB

Aug. 28: **Los Angeles** – MB

Aug. 30: **Philadelphia** – SUSO

Sep. 6: **Austin** – Tech Happy Hour

Sep. 13: **Phoenix** – MB

www.CorumGroup.com/Events

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After the Deal – Celebration

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