



TECH M&A MONTHLY

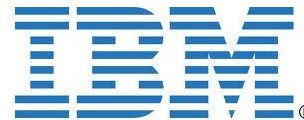
....starts in 2 minutes



www.corumgroup.com

CORUM

Past Attendees Include:



CORUM

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...



TECH M&A MONTHLY

....starts in 1 minute

Merge Briefing

- 90 Minutes
- Industry Update
- Overview of the M&A Process
- Upcoming events in:
 - Reston
 - Auckland
 - Cologne
 - Denver
 - Melbourne
 - Istanbul
 - Amsterdam
 - Raleigh
 - Sydney
 - Durham
 - Riga
 - Manchester



MERGE BRIEFING

Selling Up, Selling Out

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



8 Stages for an Optimal Outcome

1



Typical Negotiation Flow





AVOIDING THE
DEAL DISASTERS

Upcoming Conference Schedule

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

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

May 19: **Reston** – MB

May 29: **Auckland** – MB

May 21: **Cologne** – MB

Jun. 4: **Denver** – MB

May 22: **Singapore** – SUSO

Jun. 5: **Istanbul** – MB

May 25: **Melbourne** – MB

Jun. 9: **Raleigh** – MB

May 27: **Amsterdam** – MB

Jun. 9: **Durham** – MB

May 27: **Sydney** – MB

Jun. 11: **Manchester** – MB

May 28: **Riga** – MB

Jul. 17: **Berlin** – MB

Logistics

- Ask questions for Q&A session
 - Use Q&A window on left side
 - Submit to queue at any time
 - Ask “all panelists” – see “ask” option above text-entry box
- This event is being recorded
 - European broadcast May 15, 1 PM Berlin Time
 - On demand webcast will be available at www.corumgroup.com



Tech M&A Monthly

Improve Your Deal by 48%

14 May 2015

Welcome



Bruce Milne
CEO
Corum Group Ltd.

A leader in the software industry, Bruce has founded or owned four software companies, including the largest vertical market software company, AMI, an Inc. 500 firm rated by IDC as the fastest growing computer-related company in the world.

He has served on advisory boards for Microsoft, IBM, DEC, Comdex and Apple, and as board member/founding investor in some of the most innovative firms in their field, including Blue Coat, Bright Star and Sabaki. Past advisor to two governors and a senator, a board member of the Washington Technology Center, and founder of the WTIA, the nation's most active regional technology trade association.

He worked with the Canadian government to found SoftWorld, and he was recently chosen as one of the 200 most influential individuals in the IT community in Europe. He was also the only American juror for the recent Tornado 100 Awards given to Europe's top technology firms

A graduate with Distinction from Harvard Business School, Bruce has written three books on business models for success, including *Power Planning*. He is a frequent lecturer and author.

Agenda

- Welcome
- World Financial Symposiums
- Field Report: WorldViz
- Field Report: CabForce
- Research Report
- Improve Your Deal by 48%
 - 8 Stages for an Optimal Outcome
- Q&A

World Financial Symposiums



Peter Parsons
Chairman
World Financial Symposiums



- Market Spotlight Webcasts
 - Healthcare – On demand at wfs.com
 - IT Services – On demand at wfs.com
 - Ad Tech – May 21
 - Security – June 25
- Growth & Exit Strategies Conference

Field Report: WorldViz



Nat Burgess
President
Corum Group Ltd.

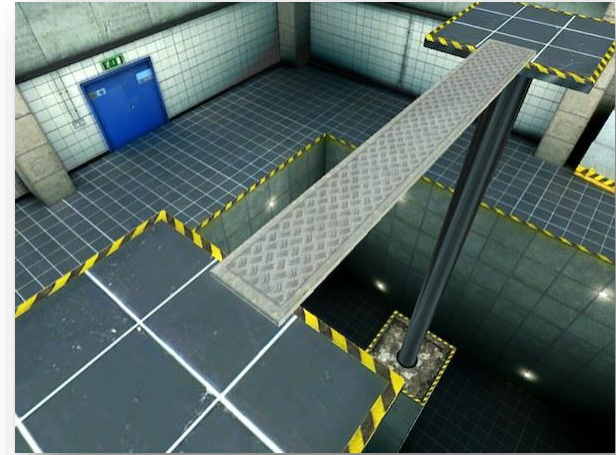


Nat joined Corum in 1996 and brings a diverse background in technology M&A and law. While with the Enforcement Division of the U.S. Securities and Exchange Commission, Nat helped identify and build cases against securities fraud schemes. With the Strategic Development Division of Morgan Stanley's M&A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

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

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

Intel Capital Invests in WorldViz



Field Report - Cabforce



Mark Johnson
Director
Corum Group International, Ltd.

CabForce

Sold to


cartrawler

Target: Cabforce [Finland]
Acquirer: CarTrawler [Ireland]
Value: Undisclosed

- Online taxi booking service
- Added to CarTrawler's car rentals



Corum Research Report



Elon Gasper
Vice President,
Director of Research

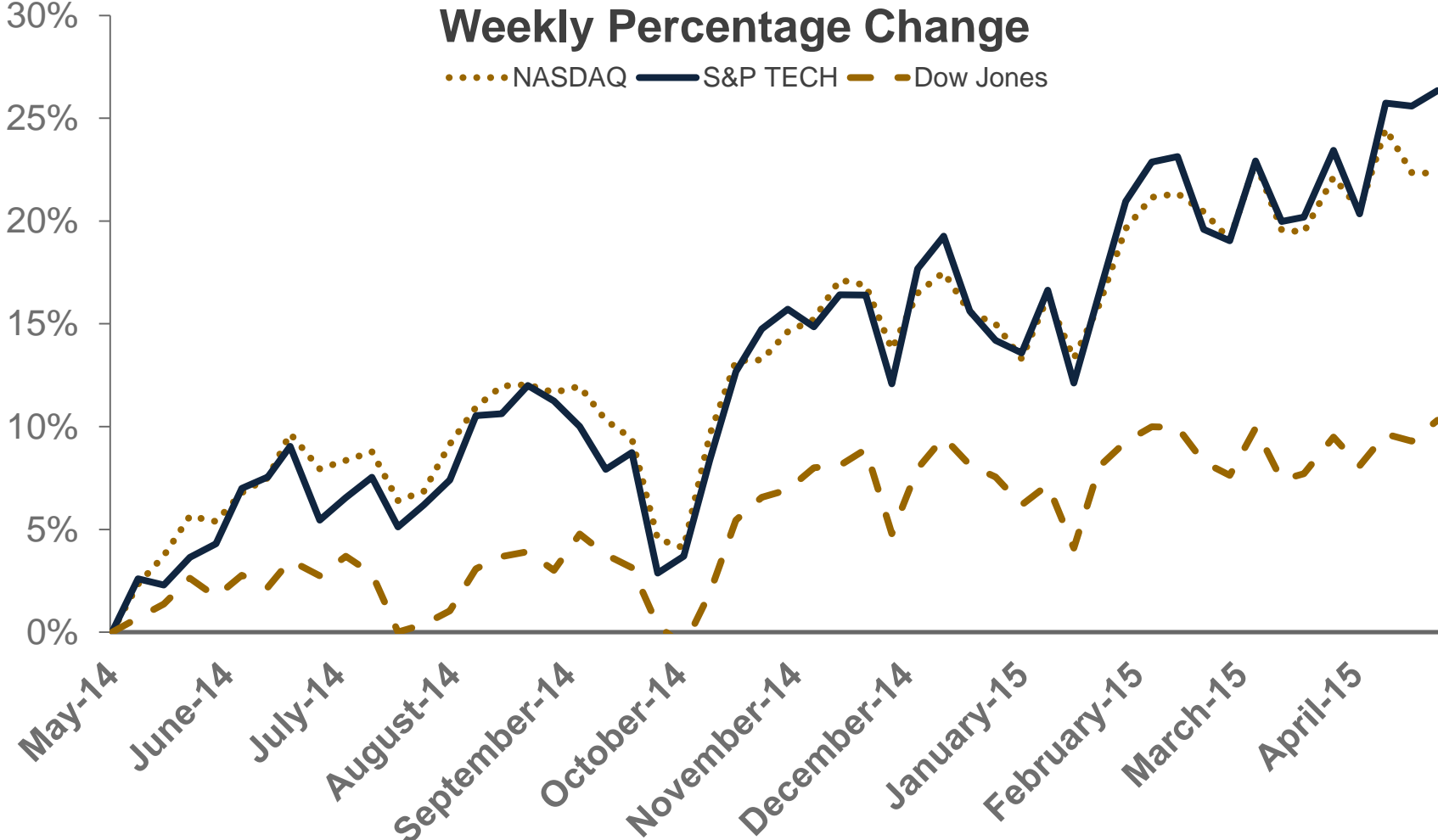


Yasmin Khodamoradi
Analyst

Public Markets

Weekly Percentage Change

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



Macro view: 4 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	?	6.2+
That 70s Inflation	Oct. 3, 1974	Nov. 28, 1980	6.2



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

Corum Index

	Apr. 2014	Apr. 2015
# of Transactions	304	353
# of Mega Deals	3	5
Largest Deal	\$4.5B	\$16.5B
Private Equity Deals	19	22
# VC backed Exits	67	72
% Cross Border Transactions	34%	31%
% of Startup Acquisitions	12%	14%
Average Life of Target	15	13

Buyer	Seller	Price
Nokia	Alcatel-Lucent	\$16.5B
Permira	Informatica Corp.	\$5.3B
Capgemini Group	IGATE Global Solutions	\$4.0B
Raytheon	Websense Inc.	\$1.9B
LinkedIn	Lynda.com	\$1.5B

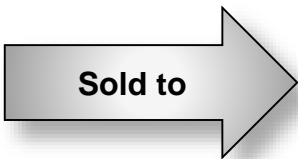
Corum Index

Buyer	Seller	Price
Nokia	Alcatel-Lucent	\$16.5B
		\$5.3B
		\$4.0B
		\$1.9B
		\$1.5B

Apr 2014 Apr 2015



Alcatel-Lucent



NOKIA

Target: Alcatel-Lucent
Acquirer: Nokia
Transaction Value: \$16.5B

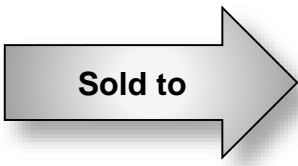
- Networking giant which includes Bell Labs

% Cross Border Transactions	34%	31%
% of Startup Acquisitions	12%	14%
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Corum Index

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Nokia	Alcatel-Lucent	\$16.5B
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		\$4.0B
		\$1.9B
		\$1.5B

Apr 2014 Apr 2015



Raytheon

Target: Websense
Acquirer: Raytheon
Transaction Value: \$1.9B

- Network security for cyber attacks and data theft

% Cross Border Transactions	34%	31%
% of Startup Acquisitions	12%	14%
Average Life of Target	15	13

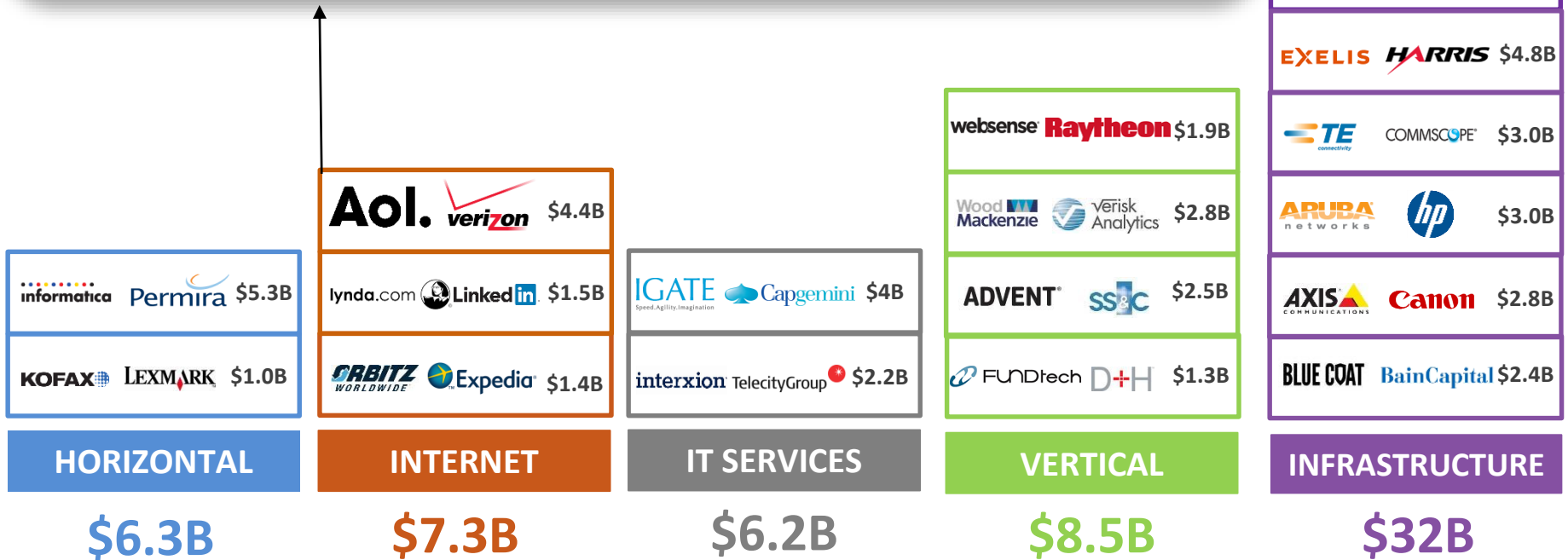
Mega Deals – 2015 YTD

Aol.

Sold to



Target: AOL
Acquirer: Verizon
Transaction Value: \$4B





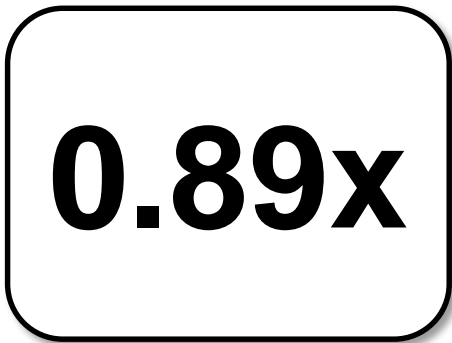
IT Services Market

Public Valuation Multiples

Since Q4

Apr. 2015

Corum Analysis



*Remaining steady
near current highs*



*Market showing
increased
appreciation for
profits*

Mega Deals – 2015 YTD

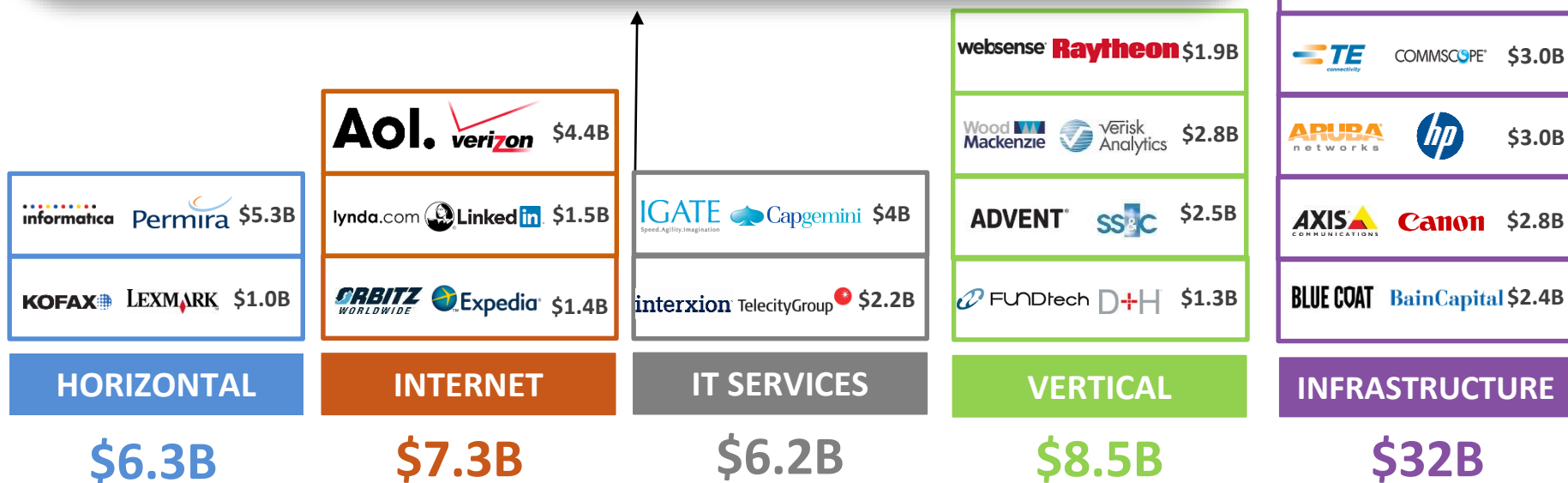
IGATE
Speed.Agility.Imagination

Sold to

 **Capgemini**

Target: IGATE
Acquirer: Capgemini
Transaction Value: \$4B

- IT Services and operations-based solutions
- Application and infrastructure services; BPO and engineering





IT Services – Recent Deals

Deal Spotlight

Knowledgepartners

Sold to

 KONICA MINOLTA

Target: Knowledge Partners [Australia]

Acquirer: Konica Minolta

- MSP information management solutions

 stonebridge systems
experience. the difference

Sold to

 KONICA MINOLTA

Target: Stone Bridge Systems [Australia]

Acquirer: Konica Minolta

- Enterprise content management



IT Services – Recent Deals

Deal Spotlight

Since Q4

Apr. 2015

Corum Analysis



Target: Apparatus

Acquirer: Virtusa

Value: \$36M

Sold to



- End-to-end IT infrastructure services
- IT consulting, application maintenance, development, systems integration and managed services.



Internet Market

Public Valuation Multiples

Since Q1

Apr. 2015

Corum Analysis

EV
Sales



5.0x

Still dropping from last year but well above other sectors

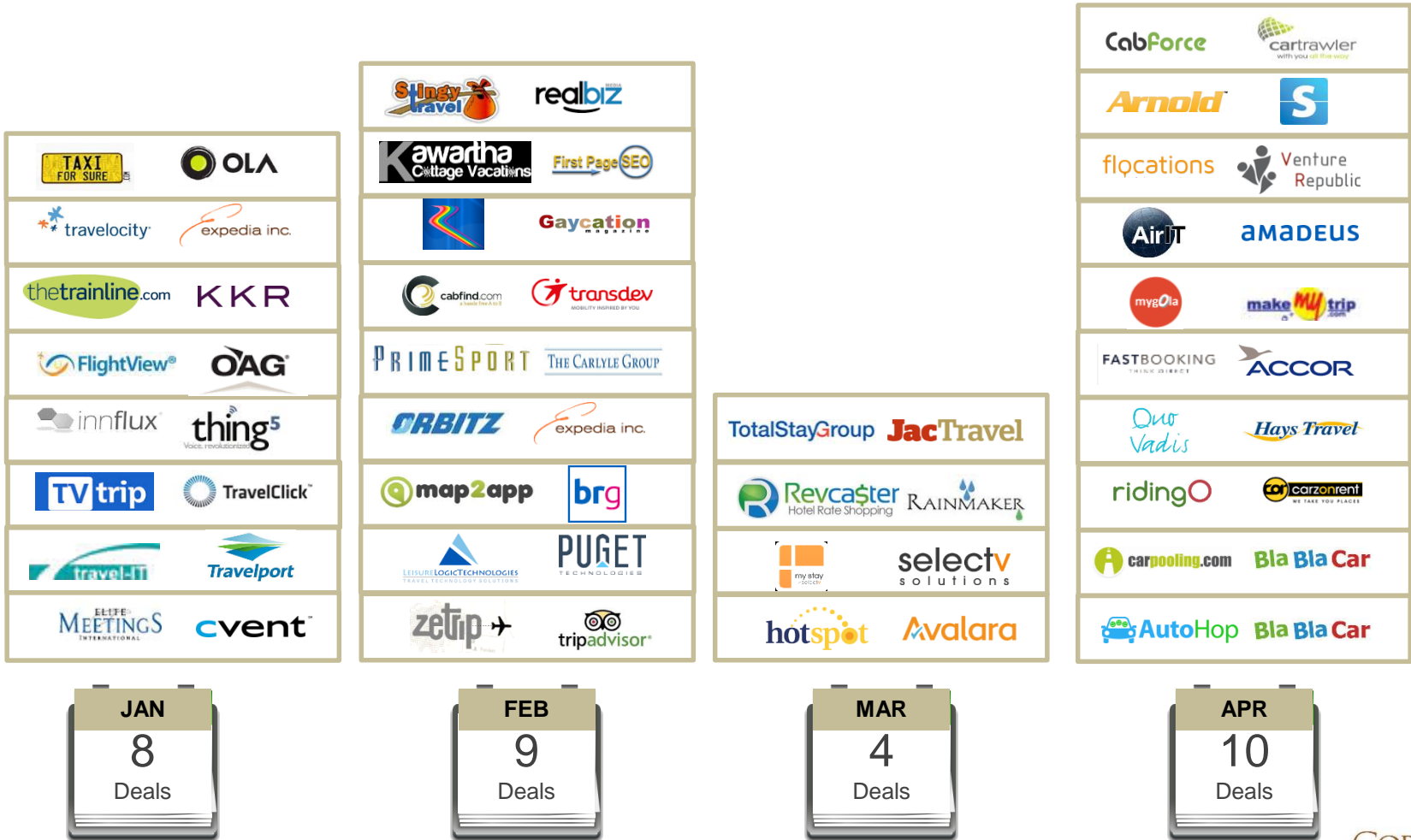
EV
EBITDA



24.4x

Back to February level, supported by Travel & Leisure, others undergoing consolidation waves

Travel Online Booking Deals – 2015 YTD





Internet Market

Deal Spotlight

Since Q1

Apr. 2015

Corum Analysis

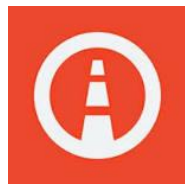


Sold to



Target: Autohop [Hungary]
Acquirer: BlaBlaCar [UK]

- Mobile ride-sharing service



Sold to



Target: Carpooling.com [Germany]
Acquirer: BlaBlaCar [UK]

- Mobile ride-sharing service



Internet Market

Deal Spotlight

Since Q1

Apr. 2015

Corum Analysis

TAXisystem

Sold to

CABONLINE

Target: TAXIsystem AB [Sweden]

Acquirer: Cabonline AB [Sweden]

- Mobile GPS-based dispatching, mapping and booking system for taxi services



Internet Market

Deal Spotlight – Rideshare & Transport

Apr 2015

RIDINGO

Sold to



Target: RidingO [India]
Acquirer: Carzonrent [India]

- Mobile- & cloud-based ride sharing solution



Sold to

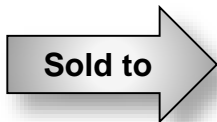


Target: TaxiForSure [India]
Acquirer: ANI Technologies [India]

- 1700 employees absorbed
- Advisors include Accel Partners, Bessemer Venture Partners, Helion Venture Partners and Blume Ventures.

Mega Deals – 2015 YTD

lynda.com 



LinkedIn 






Target: Lynda.com
Acquirer: LinkedIn
Value: \$1.5B

- Provides online, video-based educational courses for businesses and consumers
- 10x Sales multiple

 	\$5.3B
 	\$1.0B

HORIZONTAL

\$6.3B

 	\$4.4B
lynda.com 	\$1.5B
 	\$1.4B

INTERNET

\$7.3B

 	\$4B
 	\$2.2B












IT SERVICES

\$6.2B

websense 	\$1.9B
Wood Mackenzie 	\$2.8B
ADVENT 	\$2.5B
 	\$1.3B

VERTICAL

\$8.5B

 	\$16B
 	\$4.8B
 	\$3.0B
 	\$3.0B
 	\$2.8B
 	\$2.4B

INFRASTRUCTURE

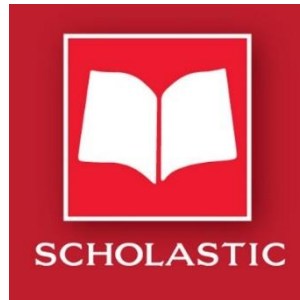
\$32B



Internet Market

Deal Spotlight

Apr. 2015



EdTech



**Houghton
Mifflin
Harcourt**

Target: Scholastic (Educational Technology & Services Business)

Acquirer: Houghton Mifflin Harcourt

Value: \$575M

- Digital curriculum and student assessment tools



Vertical Market

Public Valuation Multiples

Since Q1

Apr. 2015

Corum Analysis



4.2x

Innovative new segments supporting new highs...



16.5x

...for both Sales and EBITDA ratios



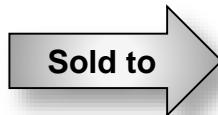
Vertical Application Software Market

Deal Spotlight



Target: Explorys
Acquirer: IBM Corporation

- Healthcare data analytics SaaS
- Secure cloud-computing platform used by 26 major healthcare systems



Target: Phytel
Acquirer: IBM Corporation

- Healthcare patient management SaaS
- Cloud-based services that meet new healthcare reimbursement models





Vertical Application Software Market

Deal Spotlight

Since Q1

Apr. 2015

Corum Analysis



Target: Protogeo [Finland]

Acquirer: Facebook

- Mobile app developer; creator of "Moves"
- Health & active lifestyle software



Vertical Application Software Market

Deal Spotlight

Since Q1

Apr. 2015

Corum Analysis



FitHo
Move. Eat. Get Fit.

Sold to



:practo

Target: FitHo [India]

Acquirer: Practo Technologies [India]

- Diet & exercise mobile app providing preventative healthcare solutions
- Online solutions provider for finding medical specialists, their background and clinic details

Corum Research Report



Elon Gasper
Vice President,
Director of Research



Yasmin Khodamoradi
Analyst

What is the average improvement from first offer to LOI (Letter of Intent) with a professional M&A process (i.e., creating an auction environment)?

48%

8 Stages for an Optimal Outcome

1



Stage 1: Preparation



Jeff Brown
Vice President
Corum Group Ltd.

- Set tasks, timeline
- Allocate staff resources
- Conduct internal due diligence
- Compile business/marketing plan
- Ready financials/projections
- Ready presentation materials
- Begin collecting due diligence materials



Stage 2: Research

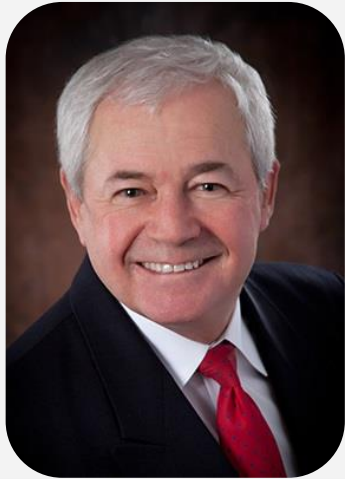


Daniel Bernstein
Vice President
Corum Group Ltd.

- Prepare buyers list (A&B level, financial, non tech)
- Perform strategic analysis on each buyer
- Prepare preliminary valuation
- Determine proper contact (Execs, EA's, advisors)
- Outside advisor/board/investor influencers
- Prepare position statement for each buyer



Stage 3: Contact



John Simpson
Vice President
Corum Group Ltd.

- Create introductory correspondence
- Draft/customize executive summary
- Execute NDAs and non-solicitations
- Screen initial interest, valuation expectations
- Establish log on all communications
- Refine position/process based on feedback



Stage 4: **Discovery**



Rob Schram
Senior Vice President
Corum Group Ltd.

- Coordinate conference calls, site visits, and meetings
- Establish technology review process
- Prepare formal valuation report
- Develop synergy and contribution analysis
- Set up NDA with customers, contractors, etc.
- Finish due diligence on buyer



Stage 5: Negotiation



Mark Johnson
Director
Corum Group International,
Ltd.

- Organize and host final visits
- Provide structure & valuation guidance
- Create an auction environment
- Negotiate with top bidder(s)
- Sign Letter of Intent (L.O.I.)
- Inform other bidders of No Shop



Stage 6: Due Diligence



Jon Scott
Senior Vice President
Corum Group Ltd.

- Verification of financial statements/projections
- Determine if outside advisors/opinions needed
- Establish confidential data room
- Technical/Legal/Ownership due diligence
- Written explanation of business model/methodologies
- Complete definitive agreement/ attachments



Stage 7: Closing



Russ Riggins
Senior Director
Corum Group Ltd.

- Final reps & warranties
- Determine escrow hold-backs
- Final opinion(s)
- Sign contracts ¹
- Arrange payment/distribution
- Regulatory filings
- Disclosure schedules



Stage 8: Integration



Ward Carter
Chairman
Corum Group Ltd.

- Advanced planning – during negotiation
- Determine synergies
- Best practices analysis
- Interim transition team
- Employee retention plan
- Set up monitoring/reporting



Upcoming Conference Schedule

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Q&A

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- | | | | |
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After the Deal – Celebration





www.corumgroup.com