

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 January 23, 12:30am PT, and 8:00am PT
 - See “Conferences and Events” at MergersAndAcquisitions.webex.com

CORUM



Global Tech M&A Monthly

Forecast 2014

Join the conversation!



@CorumGroup
#FORECAST2014

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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, AML, 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.

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Agenda

- Welcome
- Predictions
- Spotlight Reports
 - Heartland
 - International Buyers
 - Gaming
 - Healthcare
 - Energy
 - SaaS
 - Mobile
 - Social
 - Big Data
 - Internet of Things
- Research Report
- Luminary Panel
 - Peter Coffee – Salesforce
 - Dan Shapiro – Robot Turtles
 - Reese Jones – Singularity University
 - Klaus Schauer – Appfolio SecureDocs
- Closing Thoughts
- Q&A

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Corum Expert Predictions

- Privacy (for consumers) & security (for enterprise) become watchwords of the day.
- Innovative firms working in personal obfuscation, anonymity, encryption etc. see a significant uptick in business—and M&A.
- Google expands its robotics roll-up into established home robotics (vacuums, etc.) and consolidates them under its new Nest brand.
- Yahoo breaks Google's record with 40 software acquisitions.

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Corum Expert Predictions

- Takeover battle to acquire Netflix, with Samsung the ultimate victor.
- US banking industry gets serious about credit card security—at least one major credit card company acquires a major security provider to bolster consumer confidence.
- More traditional companies buy tech: a fast food chain buys a robot company, a hotel chain buys an internet travel company, etc.
- A major US gaming firm, such as Activision or EA, is acquired by a large Asian buyer.

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Spotlight Reports



Ed Ossie
Regional Director
Corum Group Ltd.



Dougan Milne
VP, International
Business Development
Corum Group Ltd.



Jim Perkins
Regional Director
Corum Group Ltd.



Rob Schram
Senior Vice President
Corum Group Ltd.



Jeff Brown
Vice President
Corum Group Ltd.



Ward Carter
Chairman
Corum Group Ltd.



Peter Andrews
Regional Director
Corum Group Ltd.



Mark Johnson
Director
Corum Group Ltd.



Gary Beyer
Director
Corum Group Ltd.



Jon Scott
Senior Vice President
Corum Group Ltd.

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Spotlight Report - Heartland



Ed Ossie
Regional Director
Corum Group

Ed has over 30 years of international experience serving high-growth technology companies and has spent the last 20 years in chief operating and chief executive roles. During this time, Ed has become known for his ability to design, build and execute multi-year growth strategies with a highly engaged team. The high performance teams operate in a trust-based company culture which in turn drives scale and strong customer relationships, producing profitable growth.

Ed served as President of Innovation Group PLC, and prior to that led the sale of MTW Corporation to Innovation Group as MTW CEO. Both companies are in the insurance software and business process services segments. Prior to that he was Division Manager and Vice President for the Texas Instruments Software Group, which grew from startup to 1300 people in 5 years.

Today he advises a number of high-growth technology teams on how they might win, shape and scale their operations to create viable high impact options for their future. Ed graduated with a Bachelor of Science degree from Missouri State University and attended select Executive Programs at Stanford Graduate School of Business, such as the Executive Program for Growing Companies and the 2011 Directors Consortium.

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Heartland Report 2014

**Over 500
deals last 24
months...**



**...and 15
live Corum
Events, 400
Tech CEO's**

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Heartland Tech Sellers 2013

Since 2012 . . .

- 503 announced Tech Deals
- Deal size ranges from Sub \$800,000 - \$20.1B;
Median is \$59.5M
- Revenue multiples range from 0.2x – 35x for disclosed amounts
- Key markets:
 - IT Services & Distribution (124 deals)
 - Application Software (91 deals)
 - Internet Content & Commerce (63 deals)
 - IT Outsourcing (52 deals)

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Never too early to get on the radar screen



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Spotlight Report – International Conferences



Dougan Milne
VP, International Business Development
Corum Group Ltd.

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.

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International Buyers: Eastern Europe

- IT services firms moving towards high grossing projects in developing regions
- Poland's Assecco acquired Softlab (Russia) and Onyx Consulting (Georgia)
- Now aiming for sub-Saharan Africa



ASSECCO
POLAND



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International Buyers: Softbank

Japan's Softbank spent big dollars

- Acquired top Finnish game developer Supercell
- Paid \$21B for 80% of Sprint
- T-Mobile next?



..T..Mobile..?

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International Buyers: China

**PERFECT
WORLD**

G SHANDA GAMES™ **Tencent** 腾讯



China's gaming companies have been very active

- PerfectWorld picked up WuHu
- Shanda, Giant Interactive and Tencent actively making offers



Chinese IPOs are back

- 4 new eCommerce companies raised nearly a half-billion dollars
- Cash raised = more acquisitions

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International Buyers: Latin America

- Globant (Buenos Aires) prepping for IPO
- Acquired the Huddle Group
- Evertec raised half a billion
- Brazil's Stefanini acquired RCG Group (Texas)



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Spotlight Report – Gaming



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

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.

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Gaming in 2014

- Gaming M&A broke records in 2013 with \$6B in value, more than half mobile
- Mobile app revenues should hit \$70B within 2 years, 70% from games
 - China, Japan and South Korea = over half
- Asian buyers = 8 of the 10 largest deals



Acquirer: SoftBank

**SUP
ERC
ELL**

Target: Supercell (maker of Clash of Clans)



SoftBank

Deal Value: \$1.5B

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Gaming in 2014



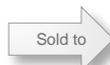
- Games make up:
 - 43% of mobile app use
 - 70% of tablet app use
- Asian game companies go global
 - Asian games to the West
 - Western games to Asia
- Console wars will revitalize that market

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Gaming in 2014

- Other key trends that will drive M&A include:
 - Microconsoles
 - Wearable devices—Oculus Rift, Google Glass, etc.
 - Steam's rapid expansion
 - Land-based casinos going digital

 **ShuffleMaster**
INCORPORATED



Bally
TECHNOLOGIES

Acquirer: Bally Technologies

Target: Shuffle Master

Deal Value: \$1.3B

WMS



SG
SCIENTIFIC GAMES

Acquirer: Scientific Games

Target: WMS

Deal Value: \$1.5B

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Spotlight Report – Healthcare



Rob Schram
Senior Vice President
Corum Group Ltd.

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.

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Converging Forces of Change



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Major Healthcare Deals



PASSPORTHEALTH
COMMUNICATIONS INC.
Revenue Cycle Solutions

Sold to



Sector: Healthcare
Target: Passport Health Communications, Inc.
Acquirer: Experian
Transaction Value: \$850 million



QuadraMed
Quality Care. Financial Health.

Sold to



Sector: Healthcare
Target: QuadraMed
Acquirer: Harris Computer Corporation
Transaction Value: \$85 million

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Spotlight Report - Energy



Jeff Brown
Vice President
Corum Group Ltd.

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.

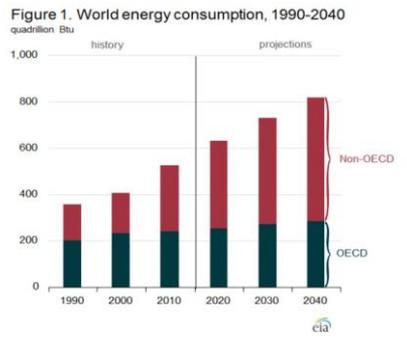
Jeff helped form and was President of Severn Trent Worksuite, a FTSE 100 subsidiary, which became the leading provider of enterprise and wireless workflow management software. Jeff was Vice President at IntelliGIS, a pioneer in geographic information systems and wireless computing. Additionally, he launched 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.

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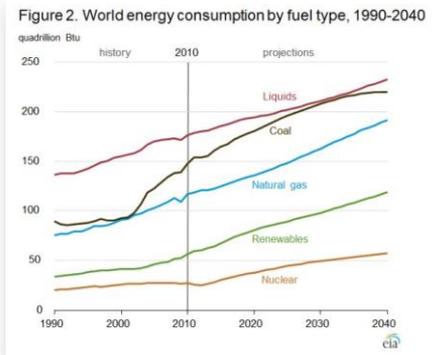


Energy & Environment - 2014



**Fossil fuels provide
80% of demand**

**World demand for
energy up 56% over
next 30 years**

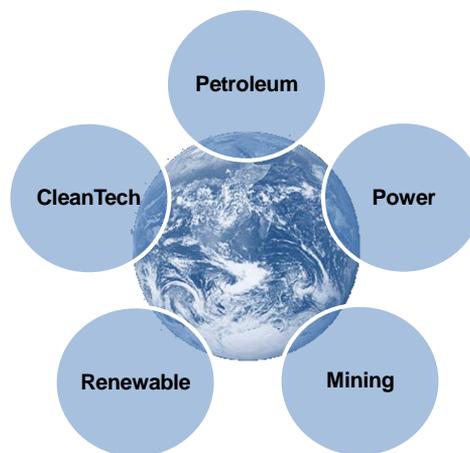


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Energy & Environment - 2014

- Consumption by Non-OECD countries grows fastest with India and China at 90% of consumption increase
- Energy related carbon emissions up 46%
- Seeking the balance of escalating demand and sustainable technologies and quality of life



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Energy & Environment - 2014

Power and Energy Management

- Drivers – Connected and distributed energy management
- AOI – Power grid becomes a 2-way system with micro-grids, distributed generation and the internet of things - “Smart Grid”, “Smart Cities” & “Smart Buildings”
- Information technology and operations technology converge
- Key technologies - Devices, communications, big data, analytics, automation



Highlighted Energy Management Acquisitions



TOSHIBA



- Marlin Equity acquires Verisae and Hara
- Toshiba acquires Consert and cyberGRID GMBH
- ESCO acquires Metrium for \$25M
- CISCO acquires JouleX. Pays \$107M cash – 12x TTM rev.
- Oracle acquires DataRaker analytics (Dec 2012)
- Riverside acquires ARCOS

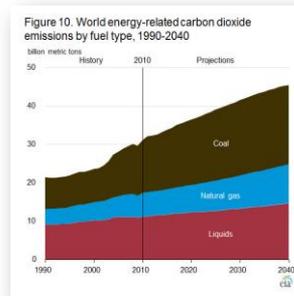
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Energy & Environment - 2014

Petroleum

- Drivers –economics of production & comprehensive reservoir description
- AOI – MWD, horizontal drilling, hydraulic fracturing, comprehensive reservoir description
- Key technologies - Devices, communications, remote monitoring, command and control automation, big data, analytics, security, environmental compliance



Highlighted M&A



- Acquired for \$165M by Insight Venture Partners.
- 2 follow-on acquisitions



- Acquired by Advent International from Vista Equity



- 12 content related acquisitions in 2 years across energy and related domains

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Spotlight Report – SaaS



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.

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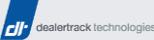
2012/2013 Recent SaaS IPOs

Company	Industry	EV (USD)	EV/Rev X
Bazaarvoice	Social Commerce Solutions	\$560M	2.83
Benefit Focus	HR Benefits Admin	\$1.32B	13.6
Cvent	Event Management	\$1.44B	13.7
Demandware	Digital Commerce	\$1.96B	20.9
E2open	Supply Chain Management	\$670M	9.27
Fleetmatics	Fleet Management	\$1.42B	8.7
Marin Software	Digital Advertising Management	\$226M	4.5
Marketo	Marketing	\$1.26B	14.8
Qualys	Security/Compliance	\$671M	6.4
Rally Software	Agile Software Development	\$359M	5.13
Ring Central	Communication Management	\$1.1B	7.4
ServiceNow	Automate Enterprise IT	\$7.3B	19.49
Textura	Construction Management	\$920M	28
Veeva Systems	Pharma/Life Sciences	\$4B	22
Workday	Human Capital Management	\$13.5B	35

13.65x Median Revenue

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Recent SaaS Transactions

Seller	Buyer	Deal Value (USD)	Rev X
		\$1.6B	7.7X
		\$987M	4.4
		\$1.6B	5
		\$158M	4
		\$150M	7.5
		\$644M	4.7
		\$91M	43.9
		\$40M	3.3

4.7x Median Revenue

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SaaS in 2014

- Emergence of additional vertical and horizontal SaaS solutions
- ERP vendors like SAP and Oracle continue to snap up point solutions
- Continued strength in SaaS valuations as ISV's / End Users continue to reap the benefits of SaaS model



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Spotlight Report - Mobile



Peter Andrews
Regional Director
Corum Group, Ltd.

Peter Andrews has over 25 years of senior executive strategic, operational, financial and transitional management experience in the technology and enterprise software sectors. Peter was the founder, CEO and Chairman of a software/hardware technology company and the first research company to develop and use kiosks and on-line surveys for data collection. After growing this company from startup to IPO, Peter was engaged by venture capital investors to turn around, grow and sell an international enterprise software company. This company was sold to an international buyer in 2010.

Subsequently, Peter made the decision to focus his knowledge and experience into helping other business leaders find success. In addition to his work as a Corum Regional Director, he serves as a strategic and operational advisor and coach to several business leaders.

He has been directly engaged in developing and implementing corporate finance initiatives, acquisitions and divestitures and delivers a pragmatic results based approach to his engagements. Peter holds an MBA from the Ivey School of Business and serves on the boards of several businesses and not for profit organizations.

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Mobile in 2014



**Mobile
Internet
users will
outnumber
desktop
users
globally**

- Half of **Gartner's 2014 Ten Strategic Technology Trends** are tied to mobile
 - Mobile Device Diversity & Management
 - Mobile Apps & Applications
 - The Internet of Everything
 - Era of Personal Cloud
 - Smart Machines
- Wearable tech and efficient sensors drive new interactions

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Mobile is here

- Mobile is here, huge and changing at breakneck speed
- Microsoft responded by acquiring Nokia's handset business



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Mobile in 2014



- Apple will respond to Android and Windows momentum through M&A
- Not the year of "wearables" but interest will grow
- BYOD will fade from the CTO's agenda
- Mobile technology automation means service providers, application developers, and device makers in a 3-way tug of war

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Spotlight Report - Social



Mark Johnson
 Director
 Corum Group International, Ltd.

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.

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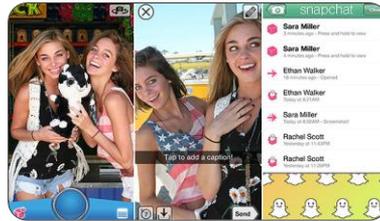
Social Acquisitions driven by mobile

Notable Acquisitions			
	acquired		\$1B
	acquired		\$1B
	acquired		\$350M
	acquired		\$90M

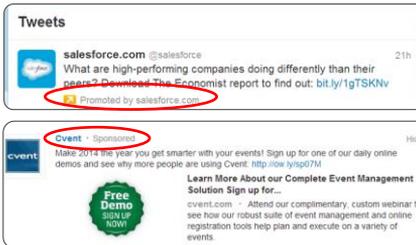
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Key Trends in 2014

Disappearing
"Ephemeral"
Social Networks



In-Stream
Advertising



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Spotlight Report – Big Data



Gary Beyer
Director
Corum Group Ltd.

Gary brings more than 30 years of deep entrepreneurial and executive experience to Corum. In his long career, Gary has led both startups and divisions of multinational corporations, including Oracle, Compaq, HP and Boeing. He has served as CEO and COO for Software and SaaS technology firms in a variety of domains, including project and resource management, secure messaging, document management, private equity and M&A portals. One firm that he founded, Micro-Frame Technologies, grew from Gary's kitchen table to achieve #50 on the Inc.500 list of fastest growing companies.

Most recently, Gary served for as VP Business Development for a major Boeing technology subsidiary, responsible for growth strategy for the firm's cloud hosted portals, big data analytics, advanced eLearning and mobility solutions. In 2012 he conceived and pursued the acquisition of an international software company to establish a leadership position in a new strategic market, and leveraged that acquisition to drive more than \$28M in new business the first year.

Gary's strong background in software and technology, and his experience with the full M&A lifecycle, from pre-transaction strategy and planning through post-acquisition integration, give him an excellent perspective from which to help our clients drive strategic leverage through M&A.

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2013: Big Data Gold Rush!

Large Acquisitions			
	acquired		\$120M
	acquired		\$200M
	acquired		> \$1B
	acquired		(undisclosed)
	acquired		(undisclosed)

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Public Market Validation

 splunk>

(NASDAQ: SPLK) - IPO Apr 2012

- Market cap to \$7.6B
- Price/Sales multiple 28.4x

 +tableau
SOFTWARE

(NYSE: DATA) - IPO May 2013

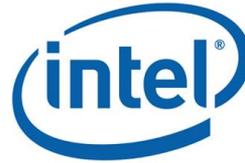
- Enterprise Value: \$3.7B
- Price/Sales multiple 21.5x

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BD Innovation Continues

- Intel mining customer buying patterns:

- Help sales reps to rank opportunities
- Focus efforts on the right prospects
- Benefit: \$ tens of millions



- Amazon has long used Analytics for:

- Psychographic profiling
(tracking individual interests)
- Collaborative filtration
(comparing interests to a peer group)
- Benefit: \$ enormous



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Coming in 2014 - 'Data Aware' Applications

Jut

Welcome to your data.

SFO Jut

- \$20M Series 'B'
- Re-architecting enterprise apps to directly leverage BD



Apple's Topsy

- Could combine Social trends + Twitter access
- Improved Siri searches on iPhone

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Spotlight Report – Internet of Things



Jon Scott
Senior Vice President
Corum Group Ltd.

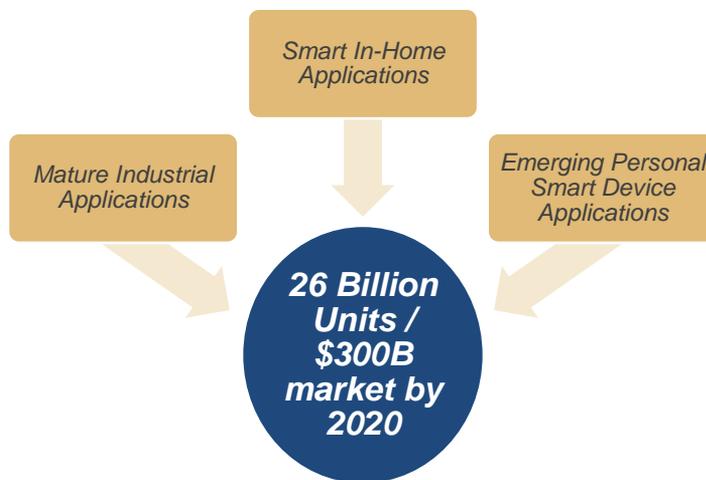
Jon joined Corum in 2010 out of their Seattle headquarters and is now based in Amsterdam. He has close to 30 years experience serving high technology companies with the last 20 mainly in chief operating and chief executive roles. During this time Jon has become known for his ability to successfully integrate 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.

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IoT: Connected Devices Communicating



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Opportunity: New Business Models

- Software Innovation will Drive Sector Growth:
 - Traffic/driving analytics
 - Meteorological/Agricultural
 - Commercial drones
 - Consumer wearables
 - Nextgen medical devices
- Innovators will be Acquired:
 - PTC paid 11x sales in December 2013 for IoT platform provider ThingWorx



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Corum Research Report



Elon Gasper
Vice President,
Director of Research



Alina Soltys
Senior Analyst



Amber Stoner
Senior Analyst



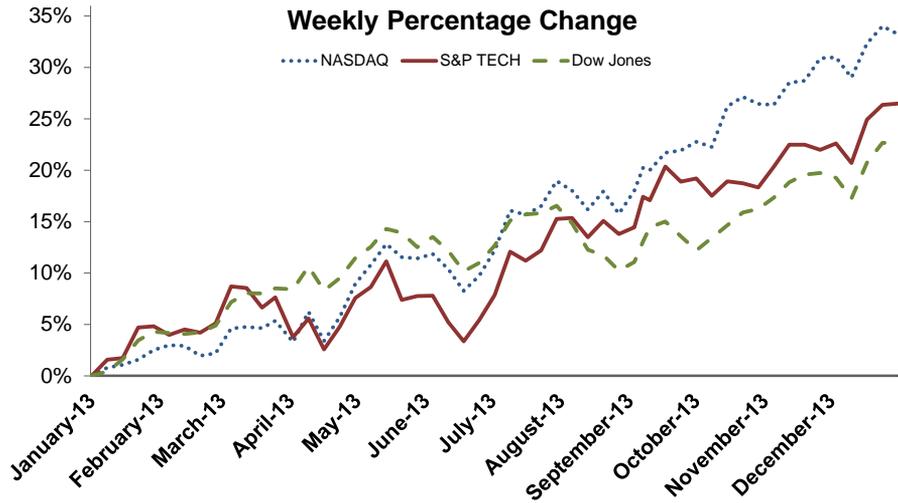
Laura Duren
Analyst



Artem Mamaiev
Analyst

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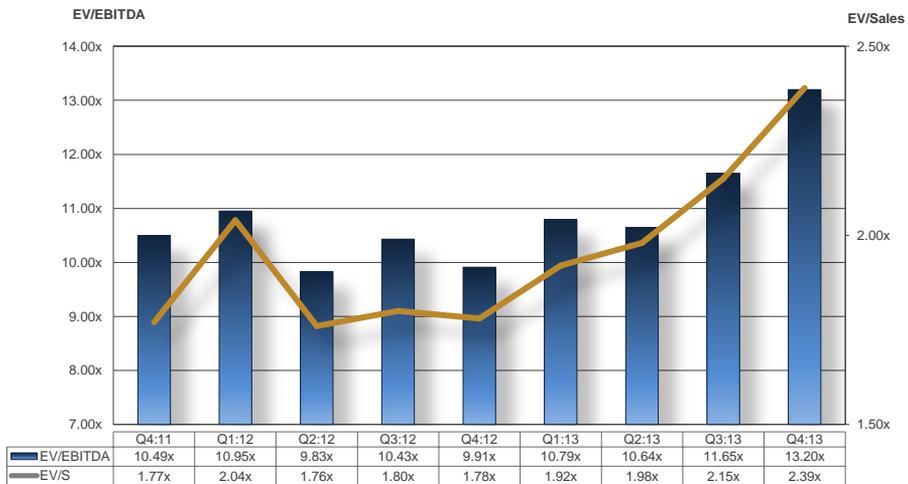
Public Markets



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Aggregate Markets

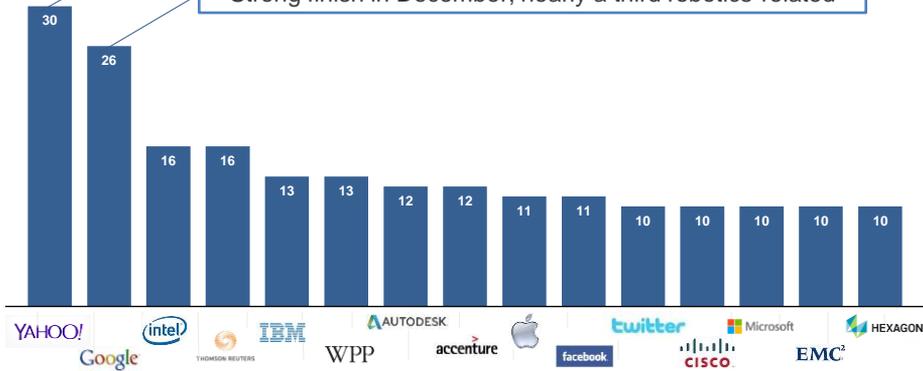


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Top Strategic Acquirers: 2013

CEO Melissa Mayer (ex-Google) focused on social and mobile

Strong finish in December; nearly a third robotics-related



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Buyer Leaderboard Rotation 2012 - 2013

Change		2012	2013
↑ 500%	Yahoo	5	30
↑ 175%	Apple	4	11
↑ 150%	Hexagon	4	10
↑ 140%	Accenture	5	12
↑ 100%	Autodesk	6	12
↑ 86%	WPP	7	13
↑ 44%	Google	18	26
↑ 30%	IBM	10	13
↑ 11%	Twitter	9	10
↑ 7%	Thomson Reuters	15	16
— 0%	Intel	16	16
↓ 9%	Cisco	11	10
↓ 17%	Microsoft	12	10
↓ 29%	EMC	14	10
↓ 31%	Facebook	16	11
↓ 36%	Oracle	11	7

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Corum Index

	2012	2013
# of Mega Deals	42	48
# of Transactions	3,728	3,284
Largest Deal	\$20.1B	\$24.8B
Private Equity Deals	281	314
# VC backed Exits	705	685
% Cross Border Transactions	32%	31%
% of Startup Acquisitions	14%	14%
Average Life of Target	14	14

Buyer	Seller	Price
Silver Lake	Dell	\$24.8B
Bain/ Golden Gate/Insight Venture	BMC Software	\$6.9B
Microsoft	Nokia	\$5.0B
Cisco	Sourcefire	\$2.7B
IBM	SoftLayer	\$2.0B
Oracle	Responsys	\$1.6B
Scientific Games Corp	WMS Gaming	\$1.5B
SAP	Hybris GmbH	\$1.3B
Yahoo!	Tumblr	\$1.1B
Google	Waze	\$1.0**

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SAP	Hybris GmbH	\$1.3B
Yahoo!	Tumblr	\$1.1B
Google	Waze	\$1.0**

nest™



Google

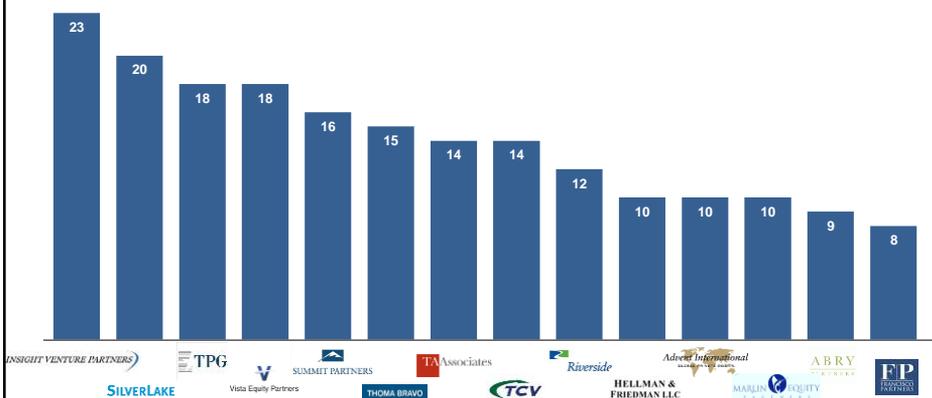
Sector: Energy
Target: Nest Labs
Acquirer: Google
Transaction Value: \$3.2 Billion

- Wireless, sensor-based smart energy thermostats that automatically adjusts temperature based on user behavior and can be remotely controlled via computers or smart phones.
- The last time Google bought a company that directly related to its core business of search, display and video advertising was its mid-2011 purchase of AdMeld.

* 0 to 3 years

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Top Private Equity Acquirers: 2013



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Corum Index

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IBM	SoftLayer	\$2.0B
Oracle	Responsys	\$1.6B
Scientific Games Corp	WMS Gaming	\$1.5B
SAP	Hybris GmbH	\$1.3B
Yahoo!	Tumblr	\$1.1B
Google	Waze	\$1.0**

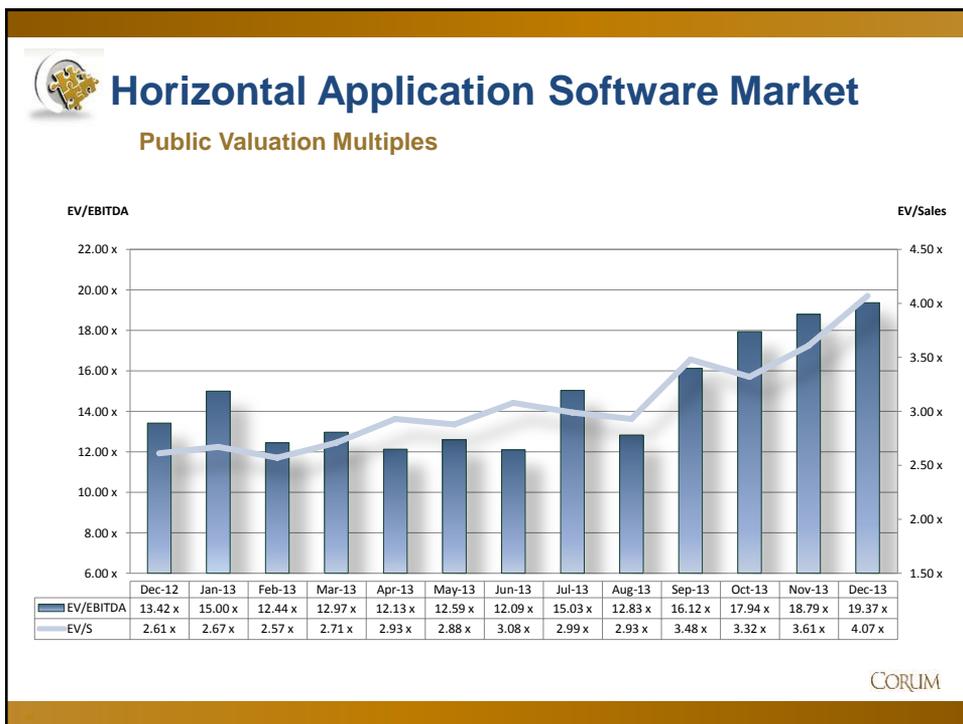
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Technology IPOs



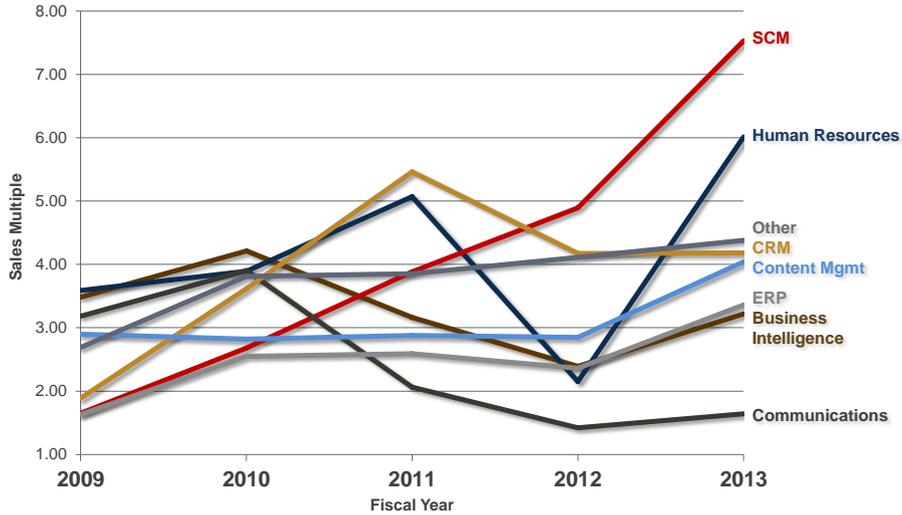
Sector	IPO Date	Company	Market Cap	Opening Day Change	Change To Date	Company Description
Marketing Automation	May	HALOGEN SOFTWARE	\$268.5M	4%	7%	Cloud employee performance management software
	May	Marketo	\$1.56B	16%	106%	Marketing automation software for businesses
Advertising Tech	Mar	Marin SOFTWARE	\$343.6M	-14%	-45%	Online advertising management solutions
	Jun	TREMOR VIDEO	\$234M	-23%	-57%	Digital video technology company
	Aug	YuMe Where ads go to play.	\$240M	-1%	-17%	Digital video brand advertising solutions
	Sep	rocketfuel	\$1.96B	-6%	-1%	Programmatic media-buying platform
	Oct	criteoL	\$1.73B	-16%	-24%	Digital performance display advertising
Consumer	Nov	WIX	\$968M	-12%	43%	Cloud-based web development platform
	Nov	twitter	\$31.65B	-0.4%	26%	Online social networking and microblogging service
	Nov	Chegg	\$656.9M	-12%	-31%	Online textbook rentals, homework help, and scholarships through Zinch
	Nov	zulily	\$9.61B	-3%	5%	Online daily deal site for moms, babies & kids

Sector	IPO Date	Company	Market Cap	Opening Day Change	Change to Date	Company Description
Payment Services	Feb	XOOM	\$1.07B	21%	37%	Digital money transfer service
	May	QIWI	\$2.66B	0.5%	201%	Payment services in Russia and the CIS
Analytics	May	tableau	\$4.18B	8%	50%	Interactive data visualization software focused on business intelligence
Vertical	Jun	Textura	\$699.3M	-13%	17%	Collaboration and productivity tools for the construction industry
Cloud B2B Services	Aug	cvent	\$1.44B	-13%	-6%	Cloud-based enterprise event management platform
	Sep	BENEFITFOCUS	\$1.58B	26%	52%	Cloud-based benefits software solutions
	Sep	covisint	\$484.97M	-2%	3%	Cloud engagement platform for external business processes
	Sep	RingCentral	\$2.18B	6%	9%	Cloud computing based phone systems
Networking/ Infrastructure	May	CYAN	\$165.3M	11%	-65%	Software defined networking and packet-optical solutions
	Jun	Gigamon	\$929.5M	23%	30%	Intelligent Traffic Visibility Networking solutions
	Sep	FireEye	\$7.11B	-11%	43%	Automated threat forensics and malware protection





5-year Horizontal EV/S Trends



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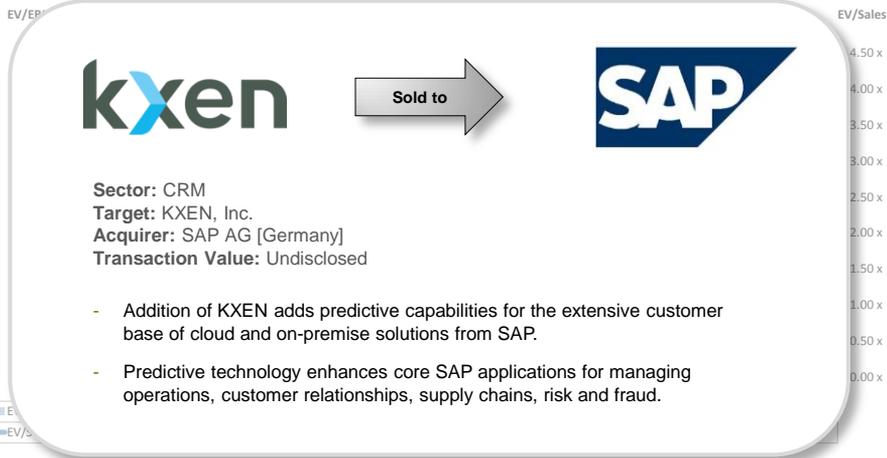
Horizontal Application Software Valuations

Subsector		Sales	EBITDA	Examples		
Business Intelligence	↑	3.22x	22.9x	INFORMATICA	QlikTech™	MicroStrategy
Human Resources	↑	6.01x	74.0x	CALLIDUS	Ultimate SOFTWARE	saba
SCM	↑	7.53x	21.0x	SPS Commerce	AMERICAN SOFTWARE	Manhattan
Communications	↑	1.64x	17.9x	amdocs	Constant Contact	NUANCE
ERP	↑	3.36x	11.6x	ORACLE	SAP	NETSUITE
CRM	↑	4.18x	42.1x	salesforce.com	LIVEPERSON	CONVERGYS
Content Mgmt.	↑	4.04x	13.3x	OPEN TEXT		
Horizontal Other	↑	4.38x	22.8x	Trimble	SCIQuest	C-n-cur



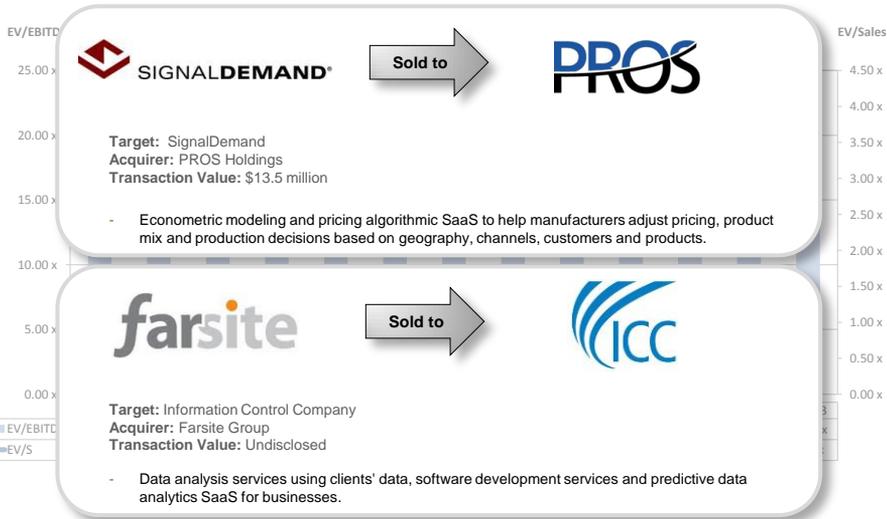
Horizontal Application Software Market

Deal Spotlight: Predictive Analytics



Horizontal Application Software Market

Deal Spotlights: Predictive Analytics





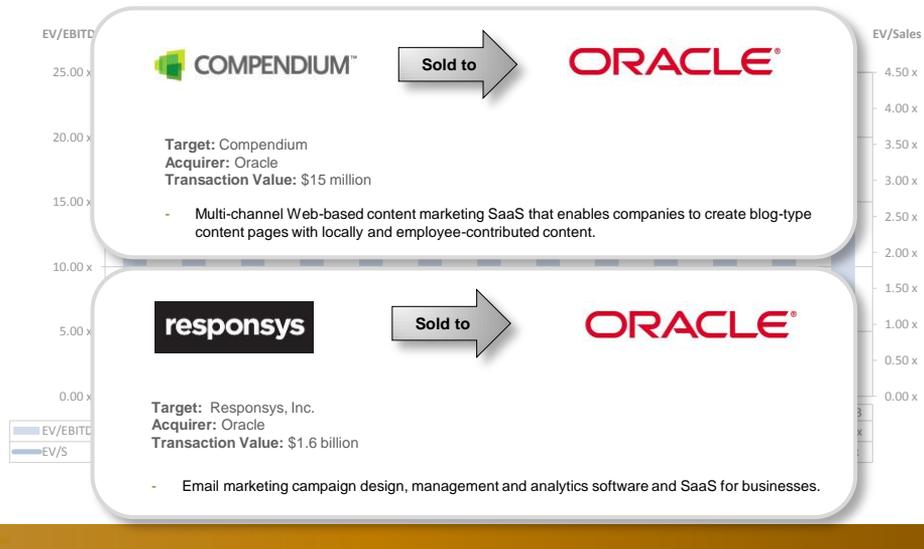
Horizontal Application Software Market

Deal Spotlights: Marketing SaaS



Horizontal Application Software Market

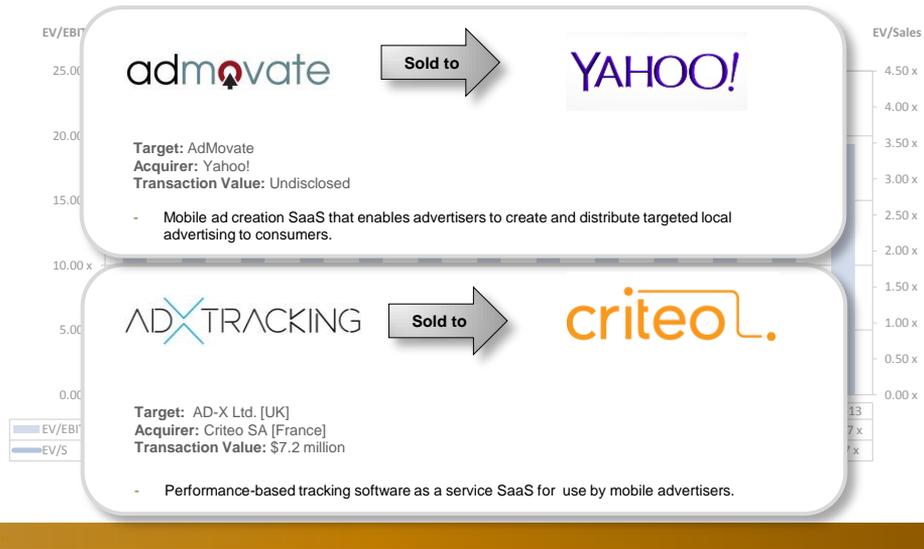
Deal Spotlights: Marketing SaaS





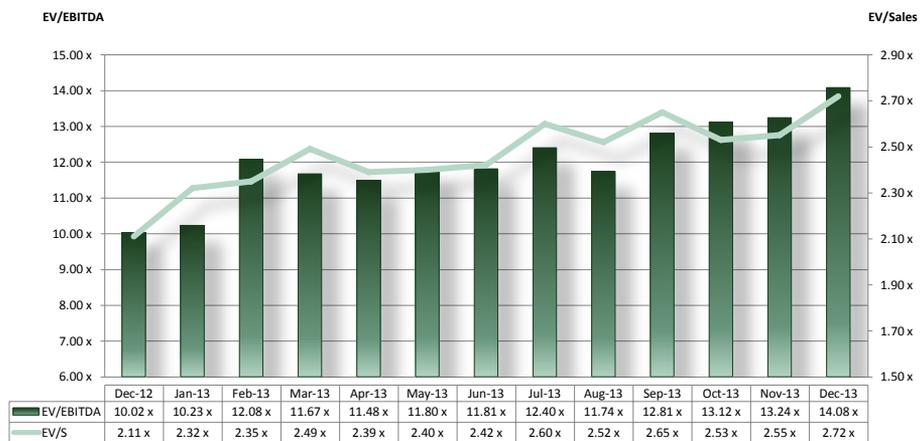
Horizontal Application Software Market

Deal Spotlights: Advertising Technology



Vertical Application Software Market

Public Valuation Multiples



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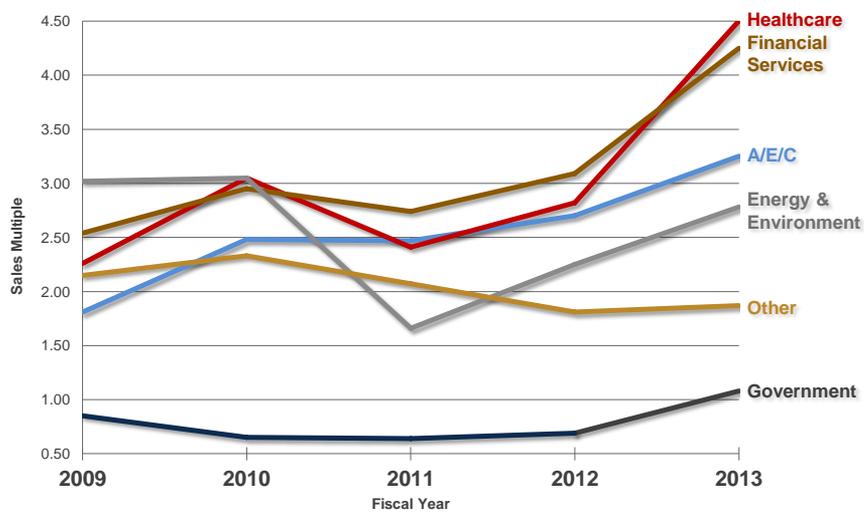
Vertical Application Software Valuations

Subsector		Sales	EBITDA	Examples		
A/E/C	↑	3.25x	15.7x	AUTODESK	PTC [®]	DASSAULT SYSTEMES
Government	↑	1.08x	8.12x	LOCKHEED MARTIN	communications	HARRIS
Healthcare	↑	4.50x	22.7x	Cerner	MCKESSON	Allscripts
Financial Services	↑	4.25x	15.9x	ADV ENT Advent Software	ACI payment systems	fiserv.
Energy & Environment	↑	2.78x	11.4x	Itron	IHS	Schlumberger
Vertical Other	↑	1.87x	13.9x	Rockwell Automation	Sensata Technologies	epiq SYSTEMS

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5-year Vertical EV/S Trends





Vertical Application Software Valuations

Subsector		Sales	EBITDA	Examples		
A/E/C	↑	3.25x	15.7x	AUTODESK	PTC [®]	DASSAULT SYSTEMES
Government	↑	1.08x	8.12x	LOCKHEED MARTIN	3 communications	HARRIS
Healthcare	↑	4.50x	22.7x	Cerner	MCKESSON empowering healthcare	Allscripts
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Vertical Other	↑	1.87x	13.9x	Rockwell Automation	Sensata Technologies	epiq SYSTEMS
CORUM						

Corum 2013 Healthcare Transactions

Healthland.
has acquired

American
HEALTHTECH
Post Acute Care
Information Technology

Corum acted as exclusive M&A advisor to American HealthTech

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MERGERS & ACQUISITIONS

- Francisco Partners
- Clinics, hospitals & post-acute care facilities software
- Addresses changes to US healthcare delivery system

Mediware[®]
has acquired

FASTRACK
Healthcare Systems, Inc.

Corum acted as exclusive M&A advisor to Fastrack Healthcare Systems, Inc.

CORUM
MERGERS & ACQUISITIONS

- Thoma Bravo
- HME & therapy software solutions
- Over 300 customers
- Folded into Mediware alternate care solutions

integrated solutions
group
has acquired

MDsuite[®]
Data Strategies, Inc.

Corum acted as exclusive M&A advisor to Data Strategies

CORUM
MERGERS & ACQUISITIONS

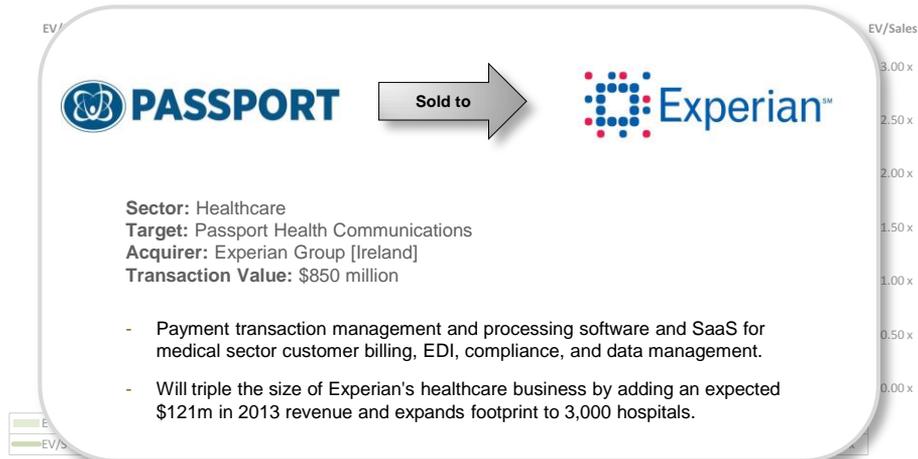
- Practice management, EHR & RCM software
- Expands ISG to Pacific Coast
- Doubles staff & customer base

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Vertical Application Software Market

Deal Spotlight: Insurance IT



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Vertical Application Software Valuations

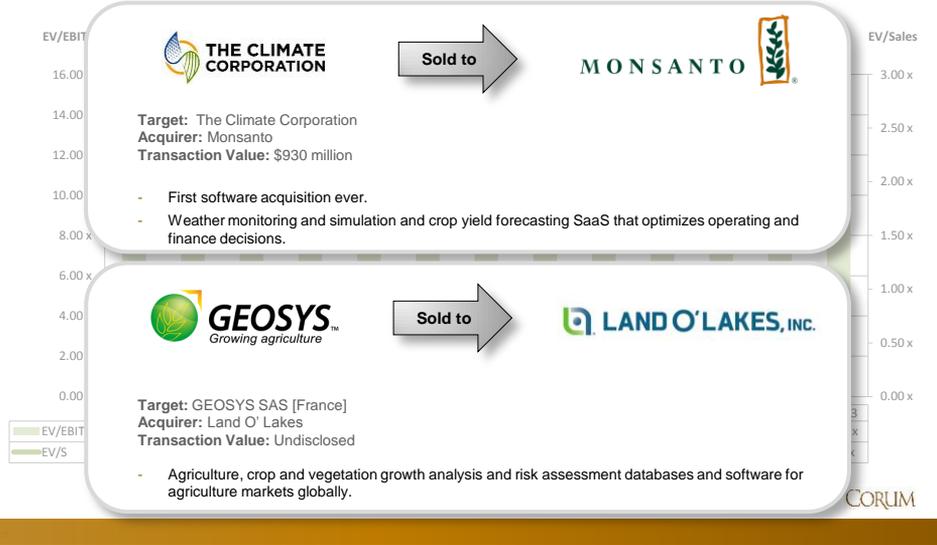
Subsector		Sales	EBITDA	Examples		
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Healthcare	↑	4.50x	22.7x	Cerner	MCKESSON Engineering, HealthCare	Allscripts
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Energy & Environment	↑	2.78x	11.4x	Itron	IHS	Schlumberger
Vertical Other	↑	1.87x	13.9x	Rockwell Automation	Sensata Technologies	epiq SYSTEMS

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Vertical Application Software Market

Deal Spotlights: Energy & Environment



Vertical Application Software Valuations

Subsector		Sales	EBITDA	Examples		
A/E/C	↑	3.25x	15.7x	AUTODESK	PTC	DASSAULT SYSTEMES
Government	↑	1.08x	8.12x	LOCKHEED MARTIN	communications	HARRIS
Healthcare	↑	4.50x	22.7x	Cerner	MCKESSON Engineering, healthcare	Allscripts
Financial Services	↑	4.25x	15.9x	ADVENT Software	ACI payment systems	fiserv.
Energy & Environment	↑	2.78x	11.4x	Itron	IBS	Schlumberger
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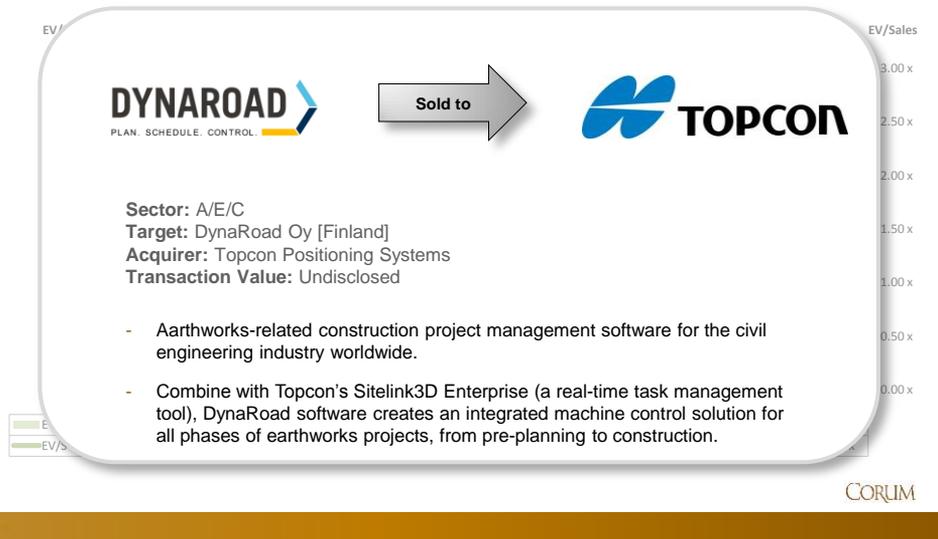
Vertical Application Software Market

Deal Spotlights: Engineering



Vertical Application Software Market

Deal Spotlight: Construction Management





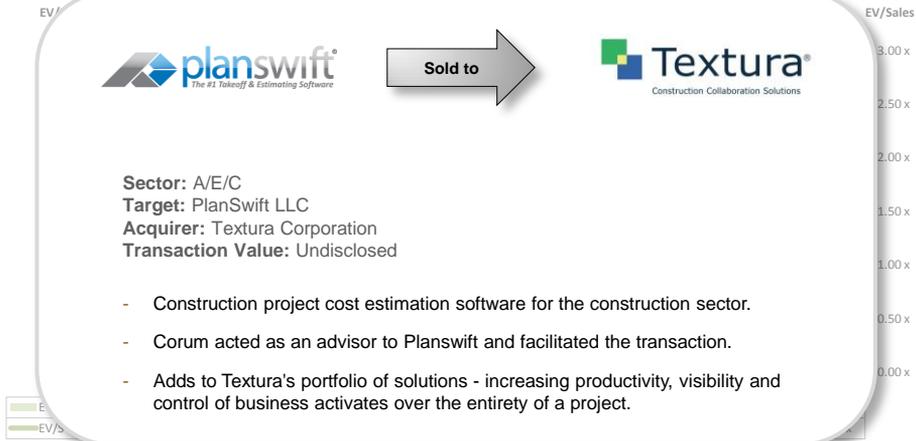
Vertical Application Software Market

Deal Spotlight: Construction Management



Sector: A/E/C
Target: PlanSwift LLC
Acquirer: Textura Corporation
Transaction Value: Undisclosed

- Construction project cost estimation software for the construction sector.
- Corum acted as an advisor to Planswift and facilitated the transaction.
- Adds to Textura's portfolio of solutions - increasing productivity, visibility and control of business activities over the entirety of a project.

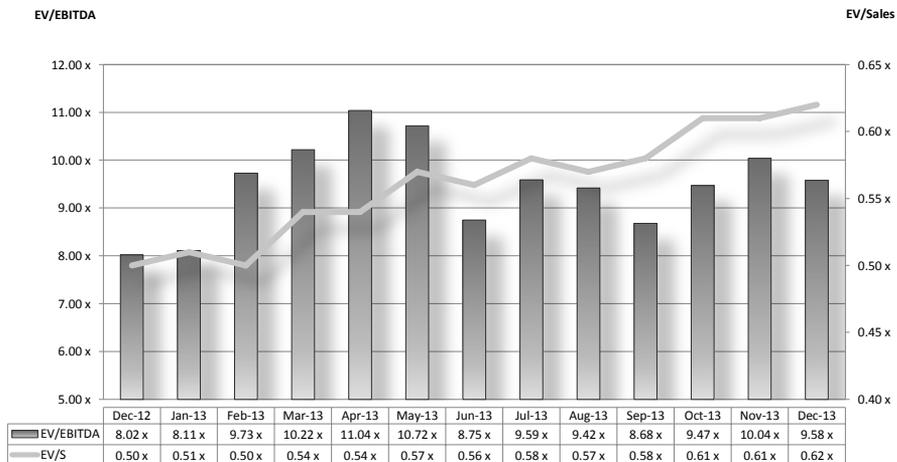


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IT Services Market

Public Valuation Multiples

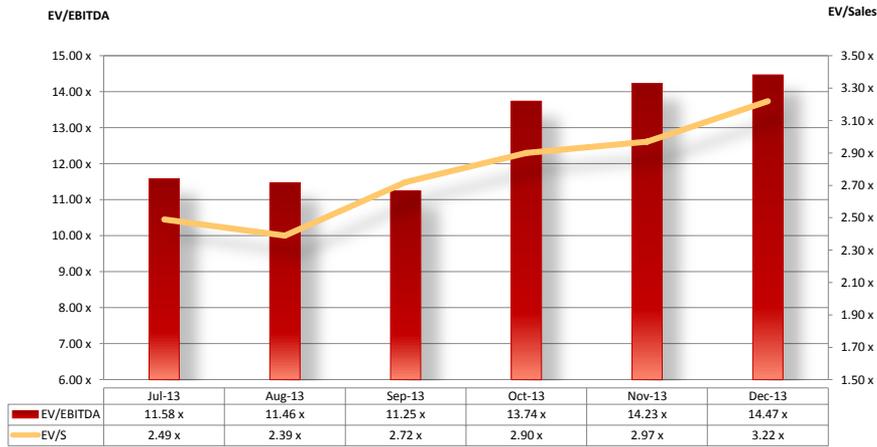


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Asian IT Services Market

Public Valuation Multiples



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IT Services Valuations

Subsector		Sales	EBITDA	Examples
N. AM/Europe	↑	0.62x	9.6x	
Asia	↑	3.22x	14.5x	

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Global Acquisitions by 3 Major Providers

WPP



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IT Services Market

Deal Spotlight

EV/EBITDA

EV/Sales



57% Stake Sold to



Target: Brightstar Corp.
Acquirer: Softbank Corp. [Japan]
Transaction Value: \$1.26 billion

- Distributes mobile phones and tablets and provides mobile device insurance, buy-back and trade-in and supply chain management services for businesses.
- Enables them to expand their scale as they will become the exclusive provider of handsets, accessories, and services to certain SoftBank telecommunications affiliates.

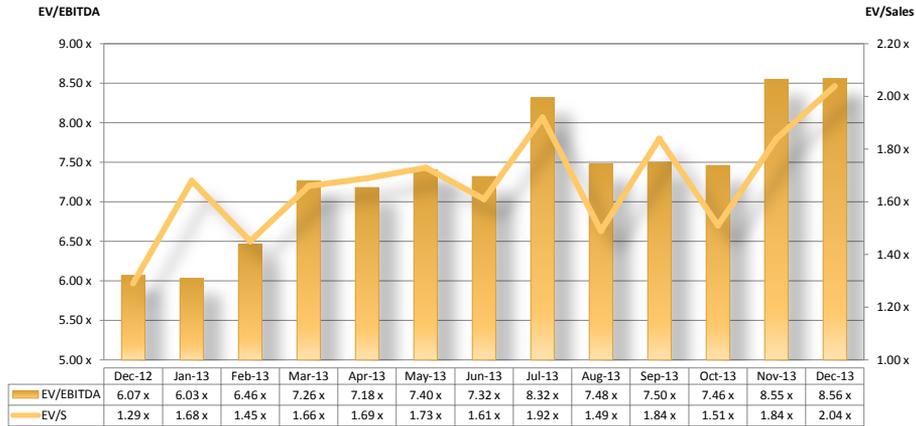
EV/EBITDA
EV/S

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Consumer Application Software Market

Public Valuation Multiples



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Consumer Application Software Valuations

Subsector		Sales	EBITDA	Examples	
Digital Content	↑	1.40x	20.8x	Adobe	RealNetworks. NETFLIX
Video Games	↑	2.08x	7.4x	网易 NETEASE WWW.163.COM	EA ACTIVISION.

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Consumer Application Software Market

Deal Spotlight: Social Media

pulse



LinkedIn

Sector: Digital Content
Target: Pulse
Acquirer: LinkedIn
Transaction Value: \$90 million

- Online RSS feed reader software that aggregates news from more than 750 online content publishers.
- Pulse is available in nine languages, and approximately 40% of users are outside the United States.
- First acquisition in nearly a year.

EV/Sales

2.50 x
2.00 x
1.50 x
1.00 x
0.50 x
0.00 x

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Consumer Application Software Market

Deal Spotlights: Consumer Web

Storify



livefyre

Target: Storify
Acquirer: Livefyre

- Media and news aggregation and creation website where users create original stories by aggregating publicly available online images, videos and other information from social networks and news outlets.

CURBED NETWORK



VOX MEDIA

Target: Curbed.com
Acquirer: Vox Media

- Operates a family of real estate, shopping and food and dining websites for high income consumers in some of the larger US cities nationwide.

EV/EBIT
9.00
8.00
7.00
6.00
5.00
4.00 x
3.00
2.00
1.00
0.00
EV/EBIT
EV/S

2.50 x
2.00 x
1.50 x
1.00 x
0.50 x
0.00 x

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Consumer Application Software Market

Deal Spotlight: Mobile Payments



Sector: Digital Content
Target: Lemon
Acquirer: LifeLock, Inc.
Transaction Value: \$42.6 million

- Mobile applications that enable iOS and Android users to organize, store and use IDs, credit cards, loyalty cards, receipts and coupons.
- Brings a new marketing channel for its identity protection services, a new stream of customer data in the form of payment card transactions, and exposure to a younger demographic.



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Consumer Application Software Market

Deal Spotlight: Mobile Platforms



Target: Waze Ltd. [Israel]
Acquirer: Google
Transaction Value: \$937 million

- Waze provides a GPS-based mobile application that enables Android and iOS device users to receive traffic and road hazard updates from other users.
- Bidding included Apple, Facebook and Google with a range of values reported from \$500 million to \$1.3 billion.
- Waze will enhance Google Maps with some of the traffic update features provided.

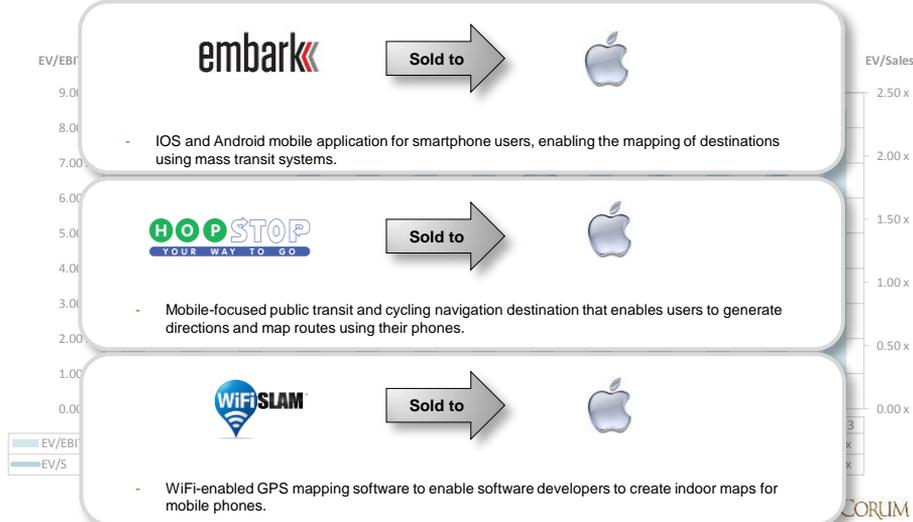


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Consumer Application Software Market

Deal Spotlights: Mobile Platforms



Consumer Application Software Market

Deal Spotlight: Mobile Gaming





Consumer Application Software Market

Deal Spotlight: Mobile Gaming

SUP ERC ELL



SoftBank

Sector: Video Games
 Target: Supercell Oy [Helsinki]
 Acquirer: Softbank Corp.
 Transaction Value: \$1.5 billion

- Acquired 51% stake in Supercell for 14.8x revenue.
- iOS-based free-to-play mobile video games for consumers.
- Popular titles include Clash of Clans, Hay Day and Battle Buddies.

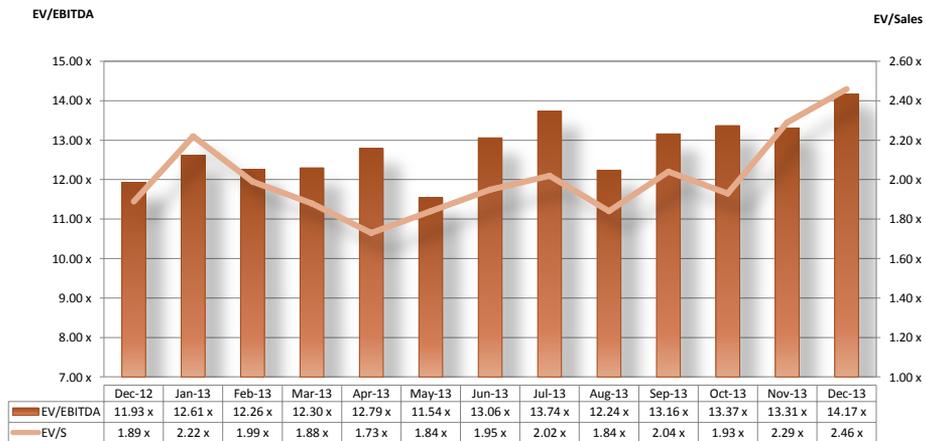


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Internet Market

Public Valuation Multiples



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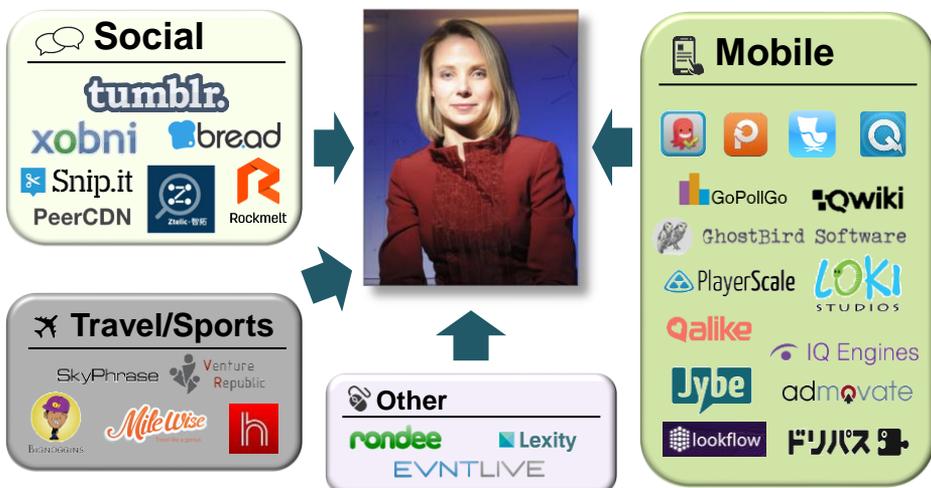


Internet Valuations

Subsector		Sales	EBITDA	Examples		
Internet Infrastructure	↑	1.95x	13.6x	inuvo	Akamai	JUNIPER
Internet Pure Play	↑	2.63x	16.4x	amazon.com	Google	priceline <small>Name Your Own Price</small>

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YAHOO! Acquisitions 2013



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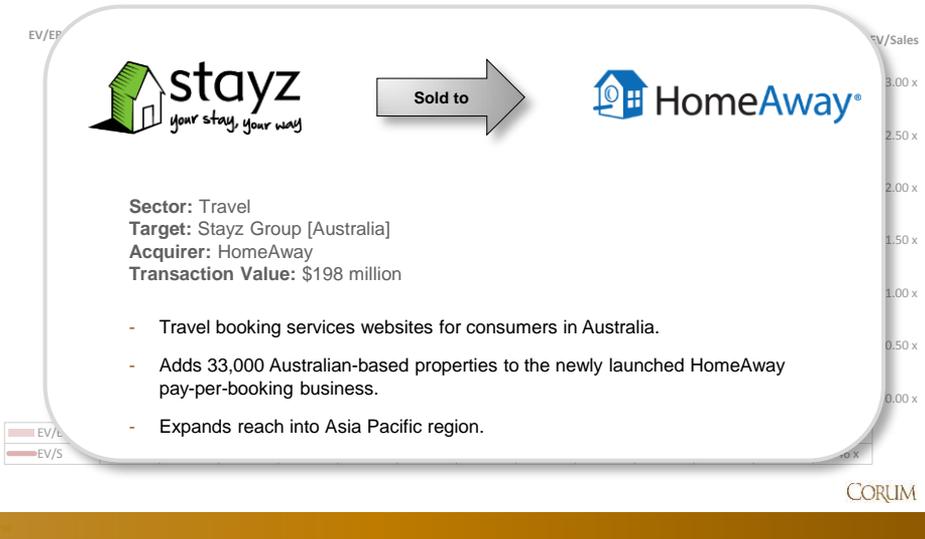
Internet Market

Deal Spotlights: Travel



Internet Market

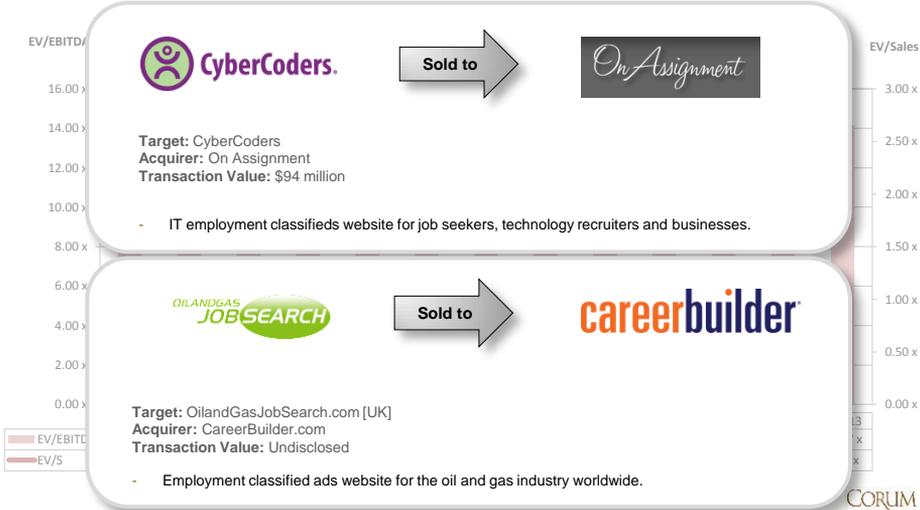
Deal Spotlight: Travel





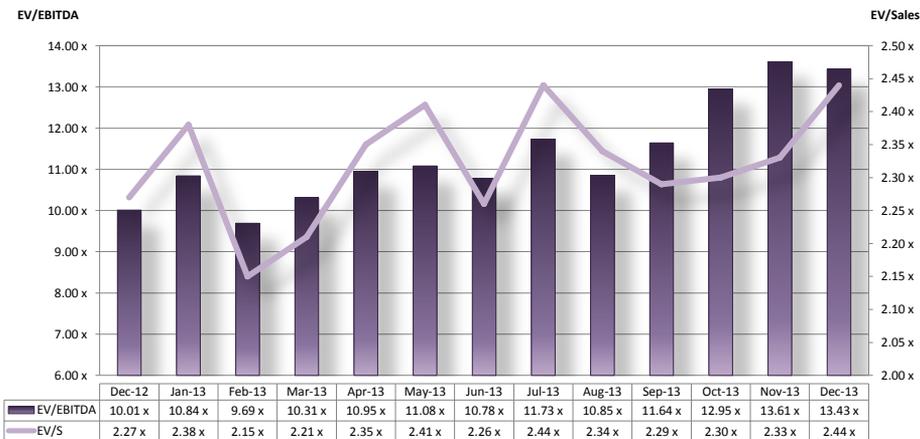
Internet Market

Deal Spotlights: Employment Classifieds



Infrastructure Software Market

Public Valuation Multiples





Infrastructure Software Valuations

Subsector		Sales	EBITDA	Examples		
Infrastructure Communications	↓	1.90x	25.5x	BROADSOFT	NOKIA	eGain
Network Management	↑	3.00x	13.6x	NETSCOUT	solarwinds	CISCO
Storage	↑	1.52x	9.7x	EMC ²	commvault	QLOGIC
Development Tools	↑	2.53x	15.9x	Compuware	intel	PROGRESS SOFTWARE
Security	↓	3.67x	13.3x	symantec	Check Point	VeriSign
Virtualization	↑	3.88x	21.4x	CITRIX	LogMeIn	vmware
Legacy/SOA	↑	3.26x	18.0x	BLUEPHOENIX	jagade	TIBCO
Systems Mgmt.	↑	2.68x	8.9x	hp	IBM	ca



Acquisitions



Date	Target	Value	Description
Jan	intucell	\$475 million	Mobile network management software for wireless telecommunications operators worldwide.
Jan	COSE	Undisclosed	Network behavior anomaly detection (NBAD) software and systems that enable businesses globally to detect and prevent malware attacks.
Mar	solvedirect	\$21 million	IT service management (ITSM) integration software as a service for enterprises.
Apr	Ubiquisys	\$310 million	3G, LTE and WiFi base stations and related management software for wireless telecom service providers globally.
May	joulex	\$107 million	Network device energy management and monitoring software for use in data centers and offices for businesses globally.
Jun	COMPOSITE SOFTWARE	\$180 million	Data virtualization, integration and analytics software and services for businesses. Also provides related technology consulting services.
Jul	SOURCEfire	\$2.7 billion	Intrusion detection and prevention systems and closed- and open-source software and software as a service for businesses.
Sep	WESTERN DIGITAL	\$415 million	Solid-state (SSD) all-flash array (AFA) storage systems for application and database storage used in servers by enterprises globally.
Oct	Insieme NETWORKS	\$863 million	Simplified end-to-end networking by taking an application-centric approach with a platform that includes innovation in hardware and silicon ASICs.
Dec	Collaborate	Undisclosed	Cloud-based Android and iOS mobile and Web team collaboration, file sharing and task management software for businesses.

Date	Target	Value	Description
Apr	 maildistiller	\$4.5 million	Anti-spam and email anti-virus SaaS for businesses globally.
Jul	 ABACA®	\$2.5 million	Email anti-spam and phishing and virus filtering SaaS for enterprises, small-to-medium sized businesses and government enterprises.
Aug	 armorize <small>Secure Your Web Applications</small>	\$25 million	Exploit-based anti-malware, online advertising and website monitoring and source-code analysis SaaS for businesses' Internet users.
Oct	 SENDMAIL	\$23 million	Open source software and processors that augment business messaging and email systems and enables policy controls, content management and security, email filtering and application integration.



Infrastructure Software Market

Deal Spotlights: Security





Infrastructure Software Market

Deal Spotlight: Anti-Malware

EV/EBITDA

norman **SHARK**

Sold to

BLUE COAT

EV/Sales

2.50 x
.45 x
.40 x
.35 x
.30 x
.25 x
.20 x
.15 x
.10 x
.05 x
.00 x

Sector: Security
Target: Norman Shark
Acquirer: Blue Coat Systems
Transaction Value: Undisclosed

- Anti-malware software and hardware focused on attacks against industrial control systems for enterprises.
- Zero-day threat protection

EV/EBITDA
EV/S

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Corum Research Report



Elon Gasper
Vice President,
Director of Research



Alina Soltys
Senior Analyst



Amber Stoner
Senior Analyst



Laura Duren
Analyst



Artem Mamaiev
Analyst

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Tech Leader Panel – The Year Ahead



Peter Coffee
Salesforce



Reese Jones
Singularity University



Klaus Schauer
Appfolio SecureDocs



Dan Shapiro
Robot Turtles

CORUM

Special Guest



Peter Coffee
Salesforce
VP, Head of Platform Research



Peter Coffee is Director, Platform Research, Salesforce. He was Technology Editor for industry journals PC Week and eWEEK from 1989 through 2007, after spending the prior decade in project management at Exxon and in PC planning and AI applications research at The Aerospace Corporation. He is the author of "How to Program Java" and "Peter Coffee Teaches PCs"; he served as a member of the X3J13 standards committee for ANSI Common Lisp.

Peter holds degrees from The George L. Graziadio School of Business at Pepperdine University and from the Massachusetts Institute of Technology.

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Special Guest



Reese Jones
Singularity University



SINGULARITY
UNIVERSITY



Inventor, venture investor, and business strategist Reese Jones has engaged in over a dozen companies' start up, financing, development, IPO and acquisitions. They include Netopia, where he served as CEO until its acquisition by Motorola in 2006, after having founded it as Farallon Computing, then taken it public in 1996. Other notable technology endeavors in which he's applied his leadership include Convergence, Mediabolic, and Jobvite, as well as Venture Partnerships at Accel, August, and TelesoftVC. He is a Fellow in Innovation and Entrepreneurship at UC Berkeley, where as a grad student in the 1980s he started and ran BMUG, which became the largest nonprofit computer user group of its kind. Reese is an Associate Founder and active Trustee of Singularity University. His current interests include network theory, human/Internet interfaces, phones as synapses, and Internet evolution.

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Special Guest



Klaus Schauer
Founder & Chief Strategist
Appfolio



Dr. Klaus Schauer is a Founder and Chief Strategist of AppFolio, a fast growing Software-as-a-Service Startup in Santa Barbara that raised \$30M of VC funding. AppFolio creates complete, easy-to-use, business solutions for multiple vertical markets. Products include the SecureDocs secure virtual data room for financial events and corporate archiving, the MyCase web-based legal practice management software, and the AppFolio Property Manager web-based property management software.

Dr. Schauer was a Founder and CTO of Expertcity/CitrixOnline from 1999 through 2006 and was the visionary behind GoToMyPC, GoToAssist, and GoToMeeting. He led the teams responsible for building the products and their secure, reliable SaaS infrastructure. As a Professor of Computer Science at the University of California, Santa Barbara, Dr. Schauer is a widely published research scientist with extensive experience developing scalable, highly parallel computing environments. Dr. Schauer holds a Ph.D. from the University of California, Berkeley and has received numerous academic awards.

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Special Guest



Dan Shapiro
CEO
Robot Turtles



Dan Shapiro is the CEO and primary turtle wrangler at Robot Turtles, LLC, a company created when he accidentally launched the bestselling boardgame in Kickstarter history. Dan spent the last two years leading a Google subsidiary that operates comparison shopping products. Shapiro landed at Google when they bought his previous company, Sparkbuy Inc, where he was founder and CEO. Sparkbuy was a comparison shopping website that offered a happy fun face on top of scary good data.

Shapiro's articles have been published in the Washington Post, Wireless Week, and the Seattle PI, and he is a frequent speaker at conferences and events. He serves on the board of the nonprofit Washington Technology Industry Association. He is a mentor for the Founder's Institute, 500 Startups, and Techstars. He has been awarded eleven US patents, and received his B.S. in Engineering from Harvey Mudd College.

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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

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World Financial Symposiums

■ “Growth & Exit Strategies” - Seattle

Details:

Date: January 29

Time: 8:00AM – 7:00PM

Location: Davis Wright Tremaine

Featuring:

Brian David Johnson - Intel

Klaus Schauer - Appfolio

Chris DeVore – Founder’s Co-op

Geoff Entress – Alliance of Angels

Christine Feng – Microsoft

Diane Fraiman – Voyager Capital

Len Jordan – Madrona Venture Group

Gerry Langelier – OVP Venture Partners

...and many more



WORLD FINANCIAL SYMPOSIUMS

www.wfs.com

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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.”

Jan. 21: **Dublin** – MB

Jan. 23: **Scottsdale** – MB

Jan. 27: **Columbus** – MB

Jan. 28: **Cincinnati** – SUSO

Jan. 28: **Mexico City** – MB

Jan. 30: **Monterrey** – MB

Feb. 6: **Portland** – MB

Feb. 10: **Kansas City** – SUSO

Feb. 11: **St. Louis** – MB

Feb. 12: **Indianapolis** – MB

Feb. 14: **Amsterdam** – MB

Feb. 18: **Berlin** – MB

Feb. 18: **Ottawa** – MB

Feb. 20: **Seattle** – MB

Feb. 27: **Online** – MB

Feb. 28: **Barcelona** – MB

Mar. 4: **San Diego** – MB

Mar. 5: **Orange County** – MB

www.CorumGroup.com/Events

VIP Code: Forecast14

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Tech Leader Panel – The Year Ahead



Peter Coffee
Salesforce



Reese Jones
Singularity University



Klaus Schauer
Appfolio



Dan Shapiro
Robot Turtles

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After the Deal – Celebration



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