



Forecast 2017: Part 2

Private Equity

February 9, 2017

Welcome



Timothy Goddard
SVP, Marketing
Corum Group Ltd.

Timothy joined Corum in 2011, and oversees the company's marketing efforts globally from the headquarters near Seattle. Chief among these is Corum's extensive conference schedule, "Selling Up, Selling Out," the Merge Briefing, the Tech M&A Monthly webcast and Corum's platinum sponsorship of the World Financial Symposiums' live events and Market Spotlight series. Through these events, Corum Group serves as the world's leading educator in technology mergers and acquisitions.

Prior to joining Corum, Timothy served as marketing and product manager for GIS software startup Depiction, Inc., and previously worked in marketing for VizX Labs, a pioneering SaaS startup delivering DNA analysis tools. In addition to marketing for software startups, Tim has worked for a US Senate campaign and taught science in Rio de Janeiro.

Timothy graduated Magna Cum Laude from Bethel University in St. Paul, Minnesota, with degrees in History and Biology.

Agenda

- Welcome
- One Chance with Buyers: Are You Ready?
- February 2017 Research Report
- Private Equity Roundtable
- Q&A

You Get One Chance with Buyers

Are You Ready?



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.

You Get One Chance with Buyers

Are You Ready?

- **Preparation** — Are you ready for partnering discussions?
- **Research** — Do you know what they need?
- **Trends** — How do you map to the disruptive trends that drive tech M&A today?
- **Buyer contact** — Do you know who to contact within the firm?
- **Buyer process** — What is the Buyer's timeline?
- **Other buyers** — Do you know the little-known buyers paying top dollar?
- **Due Diligence** — Are you truly ready for Due Diligence?

You Get One Chance with Buyers

Are You Ready?

- **Process** — Is there a process in place to handle all the dialogues with potential partners and create an auction process?
- **Financials** — Are past financials GAAP compliant? 3-year projection?
- **Professionals** — Do you have knowledgeable professionals in place?
- **Valuation** — Do you know how to gain the high ground?
- **Negotiations** — Are you ready to have mega-million dollar negotiations with your future boss?
- **Workload** — Are you able to, at times, dedicate another 60-80 hours per week to the most important transaction of your life?

Corum Research Report



Elon Gasper
EVP, Research

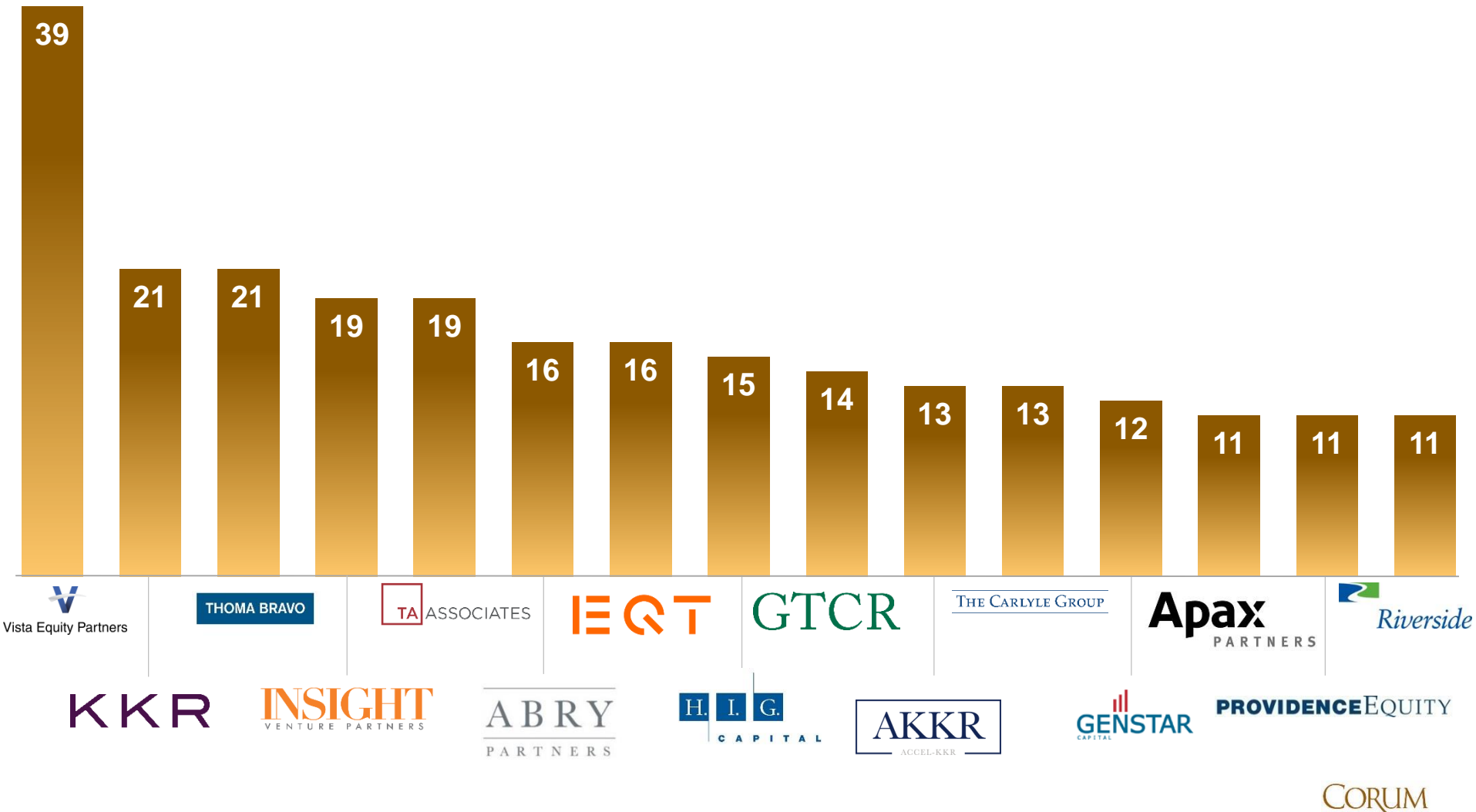


Yasmin Khodamoradi
Analyst

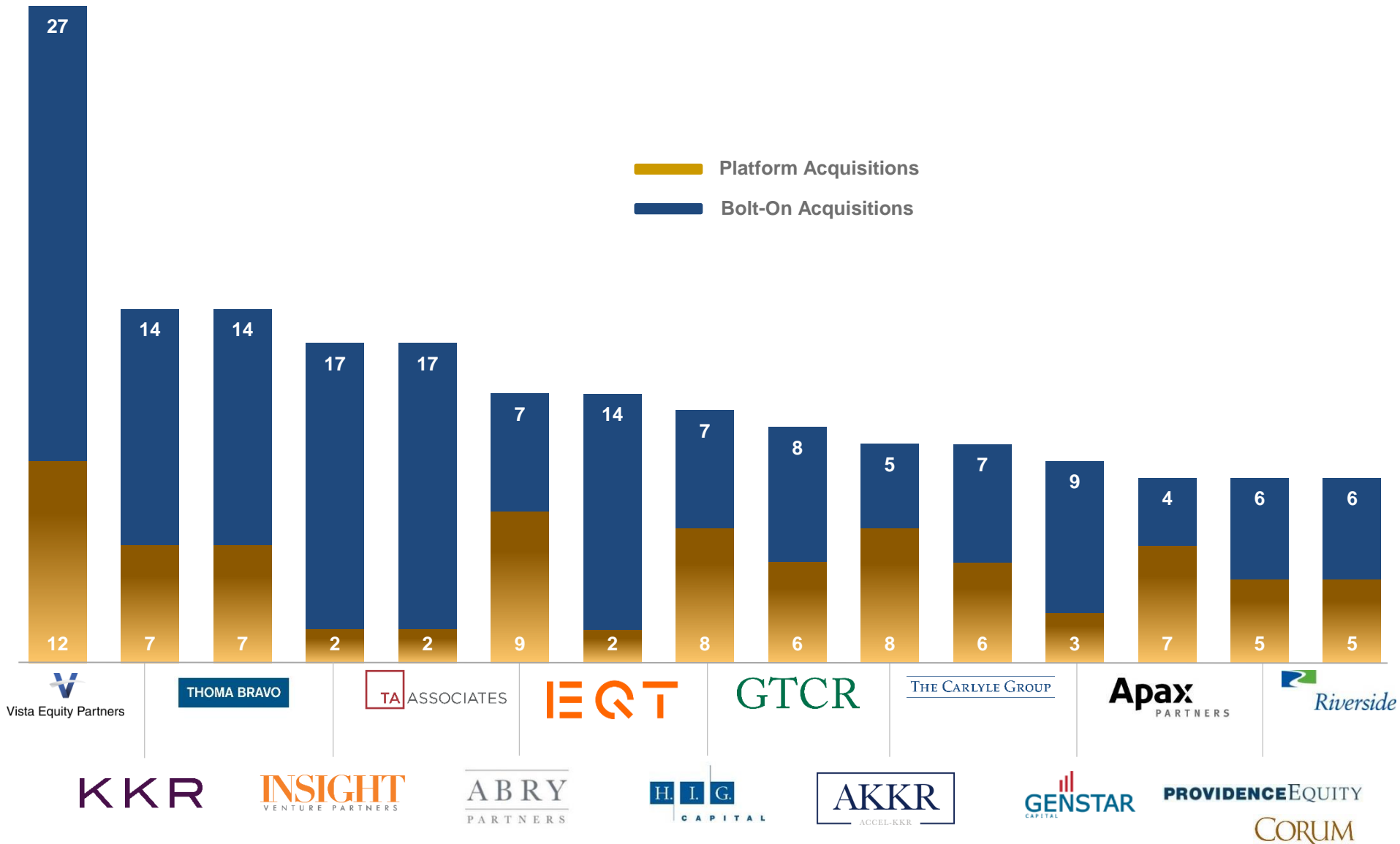


Thomas Wright
Analyst

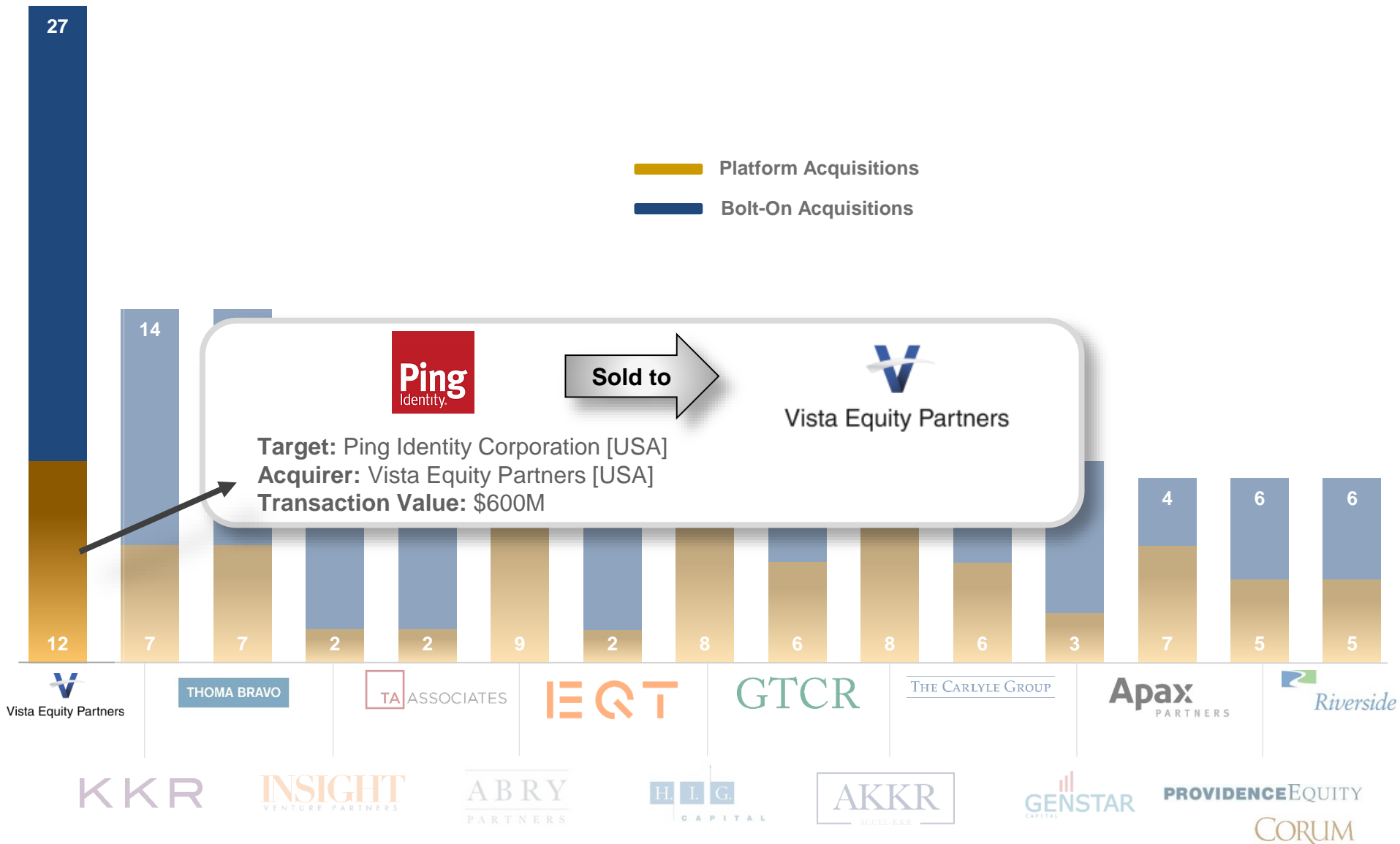
Top Private Equity Acquirers – 2016



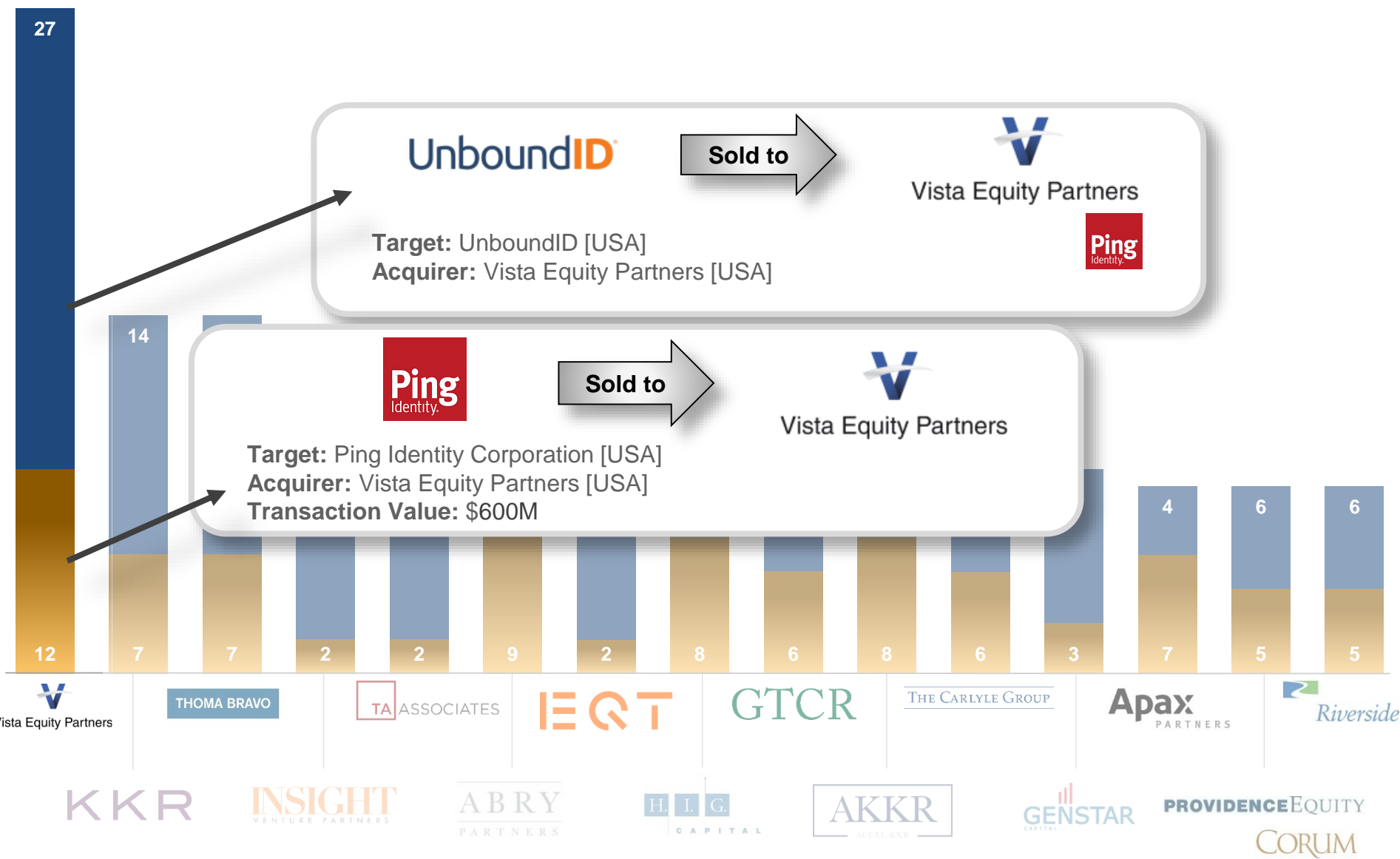
Platform vs. Bolt-On Acquisitions



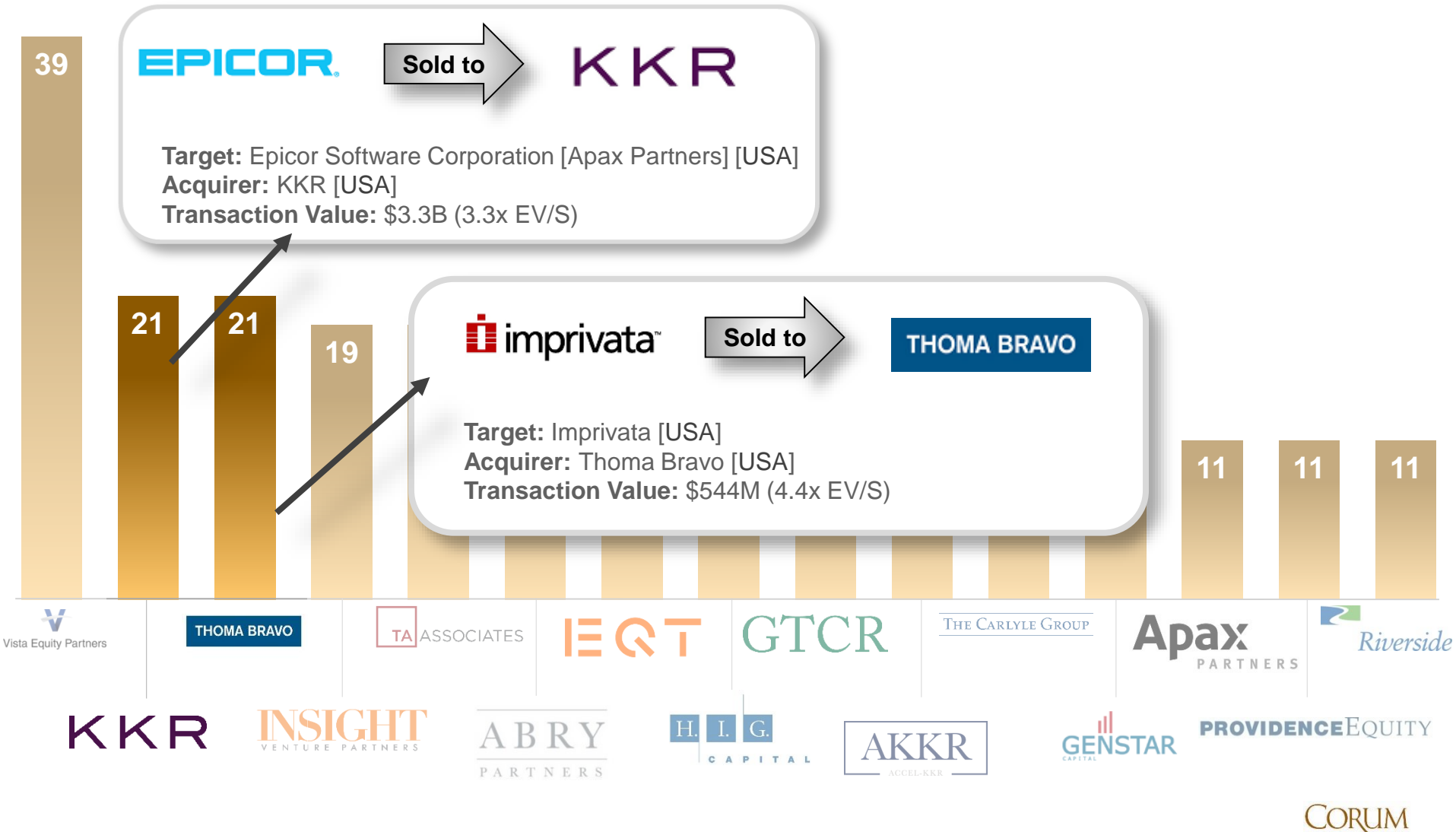
Platform vs. Bolt-On Acquisitions



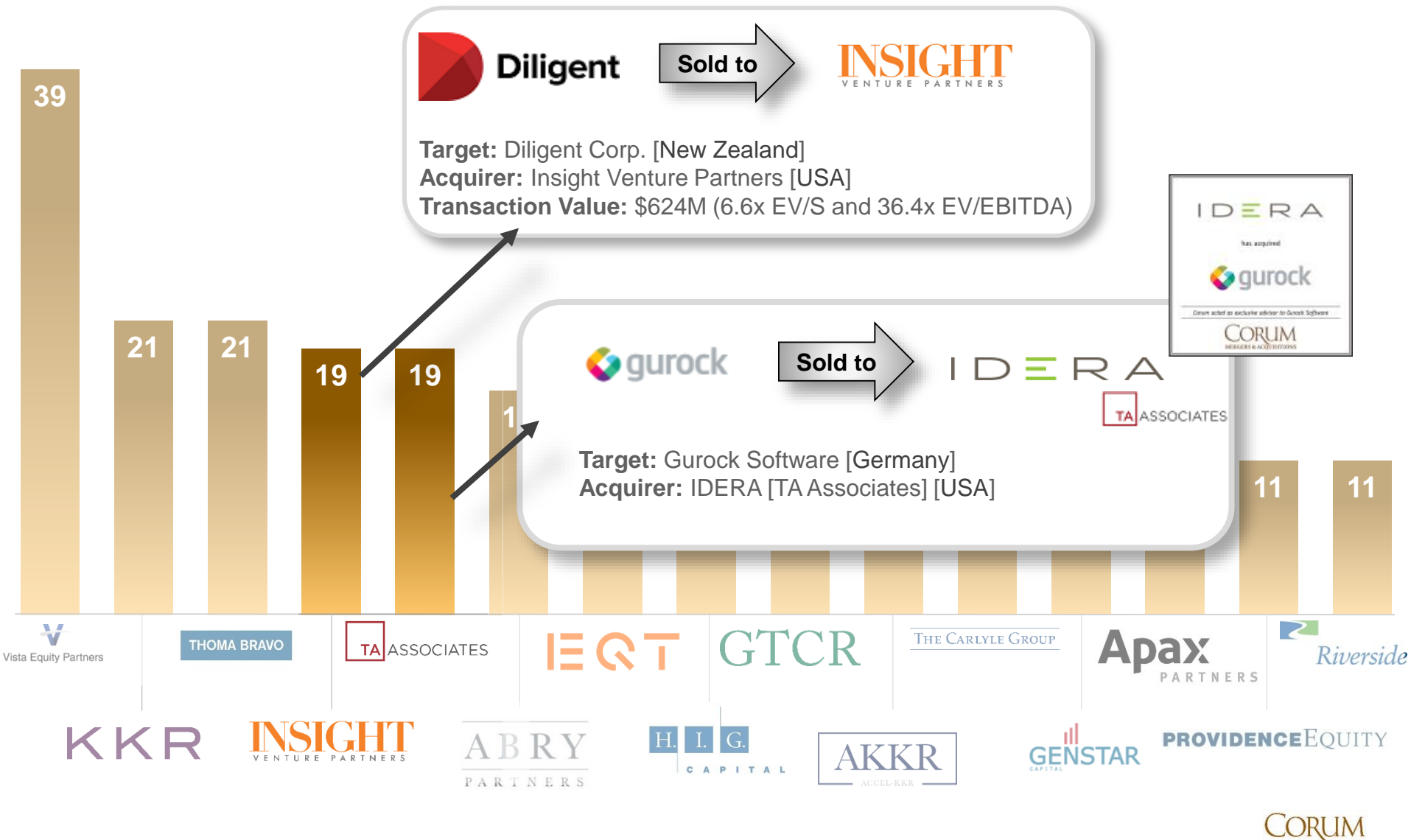
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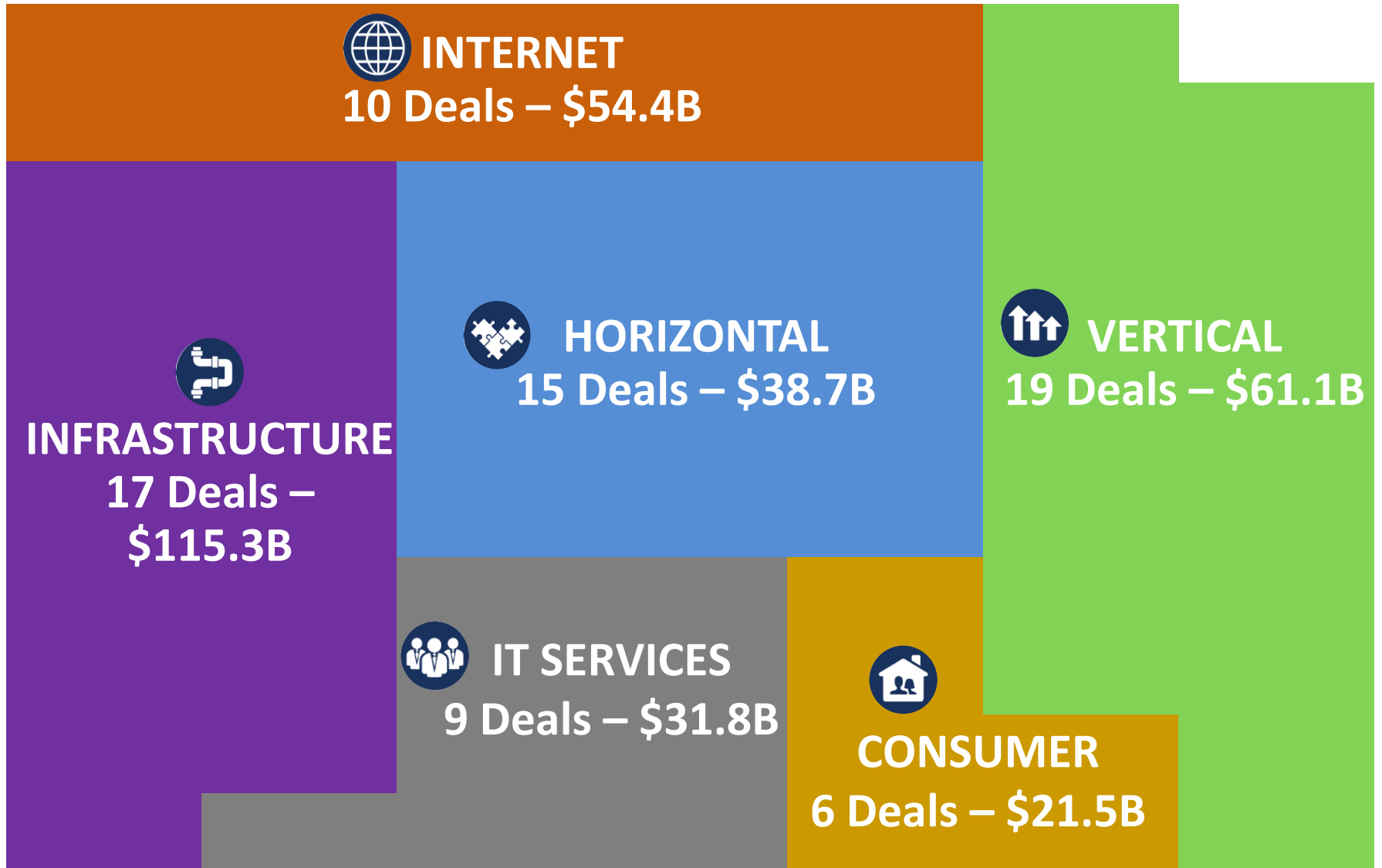
Top Private Equity Acquirers – 2016



Top Private Equity Acquirers – 2016



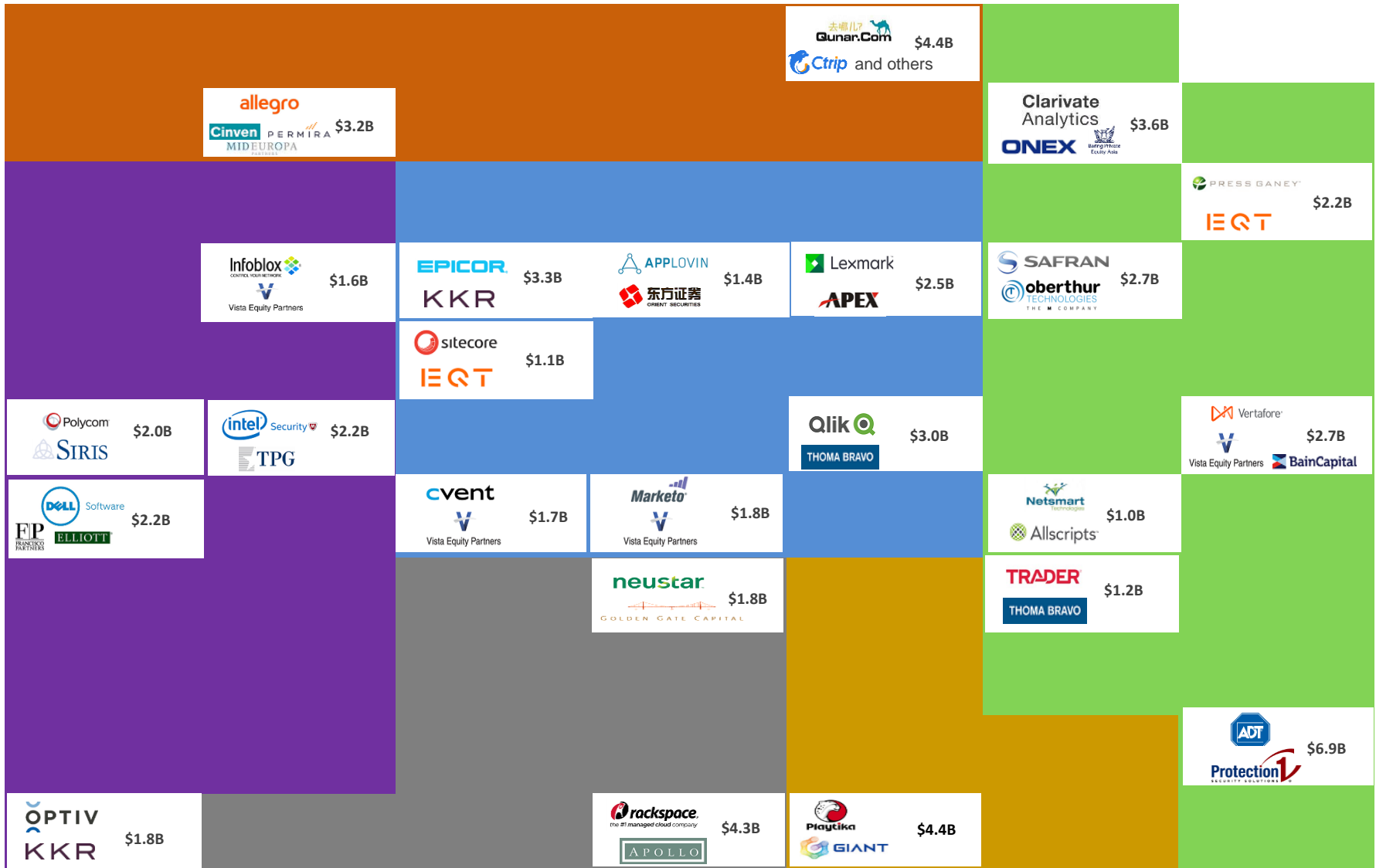
76 Megadeals of 2016 - \$323B Total



2016 Tech Megadeals

 LAZADA GROUP <small>Alibaba Group</small> \$1.0B	 hotelbeds GROUP Cinven \$1.3B	 1号店 <small>JD.COM</small> \$1.5B	 skyscanner <small>Ctrip</small> \$1.7B	 去哪儿网 Qunar.Com <small>Ctrip and others</small> \$4.4B	 ISE <small>Nasdaq</small> \$1.1B	
 YAHOO! verizon \$4.8B	 allegro <small>Cinven PERMIRA MIDEUROPA</small> \$3.2B	 jet <small>Walmart</small> \$3.3B	 UBER 优步 <small>滴滴</small> \$7.0B	 LinkedIn <small>Microsoft</small> \$26.2B	 Clarivate Analytics ONEX \$3.6B	 sensus xylem <small>Let's Solve Water</small> \$1.7B
 TIVO rovi \$1.1B	 NXP QUALCOMM \$39.1B	 TRANSFIRST TSYS \$2.4B	 INTERACTIVE INTELLIGENCE Genesys \$1.4B	 DEMATIC KION GROUP \$2.1B	 imshealth <small>INTELLIGENCE APPLIED</small> \$8.8B	 PRESS GANEY IEQT \$2.2B
 AVG avast! \$1.3B	 Infoblox <small>Vista Equity Partners</small> \$1.6B	 EPICOR KKR \$3.3B	 APPROVIN 东方证券 ORIENT SECURITIES \$1.4B	 Lexmark APEX \$2.5B	 SAFRAN oberthur TECHNOLOGIES THE M COMPANY \$2.7B	 Fleetmatics verizon \$2.4B
 Jasper CISCO \$1.4B	 LogMeIn \$1.8B	 sitecore IEQT \$1.1B	 EMC² ENTERPRISE CONTENT DIVISION OPENTEXT \$1.6B	 demandware salesforce \$2.8B	 CD-adapco SIEMENS \$1.0B	 TRUVEN HEALTH ANALYTICS IBM \$2.6B
 Polycom SIRIS \$2.0B	 intel Security TPG \$2.2B	 Intelligrated Honeywell \$1.5B	 Deltek ROPER \$2.8B	 Qlik THOMA BRAVO \$3.0B	 CRUISE GM \$1.1B	 Vertafore V <small>Vista Equity Partners BainCapital</small> \$2.7B
 DELL Software FIP ELLIOTT \$2.2B	 Mentor Graphics SIEMENS \$4.0B	 cvent V <small>Vista Equity Partners</small> \$1.7B	 Marketo V <small>Vista Equity Partners</small> \$1.8B	 NETSUITE ORACLE \$9.3B	 Netsmart Allscripts \$1.0B	 Bats CBOE HOLDINGS \$3.2B
 BLUE COAT Symantec \$4.7B	 BROCADE BROADCOM \$5.5B	 LOCKHEED MARTIN leidos \$5.0B	 neustar GOLDEN GATE CAPITAL \$1.8B	 LOEN kakao \$1.5B	 TRADER THOMA BRAVO \$1.2B	 Scottrade TD Ameritrade \$4.0B
 RUCKUS WIRELESS BROCADE \$1.5B	 Hewlett Packard Enterprise Non-Core Software Assets MICRO FOCUS \$8.8B	 Hewlett Packard Enterprise CSC \$6.0B	 MERKLE A Performance Marketing Agency dentsu AEGIS network \$1.5B	 酷狗音乐 Tencent 腾讯 \$2.7B	 SEM PARAR FLEETCOR \$1.1B	 markit IHS \$5.9B
 tyco Johnson Controls \$3.9B	 ARM SoftBank \$32.4B	 INCRAM HNA \$6.0B	 AVNET Tech Data \$2.6B	 VIZIO LeEco \$2.0B	 LifeLock Symantec \$2.3B	 ADT Protection 1 \$6.9B
 OPTIV KKR \$1.8B	 DELL Services NTT DATA \$3.1B	 LanguageLine Solutions Teleperformance \$1.5B	 rackspace the #1 managed cloud company APOLLO \$4.3B	 Playtika GIANT \$4.4B	 SUPERCILL TENCENT 腾讯 \$8.6B	 HARMAN SAMSUNG \$8.0B

2016 Tech Megadeals



Platform Plays of 2016 are the Bolt-On Opportunities of 2017



Vista Equity Partners

KKR

THOMA BRAVO

Horizontal:

Marketo
AdTech

cvent
AdTech

Horizontal:

EPICOR
ERP

Infrastructure:

LOGICnow
IT Services
Management

Infrastructure:

Infoblox
Network
Management

Ping Identity
Security

IT Services:

OPTIV
Managed Security

Horizontal:

Qlik
Business
Intelligence

Vertical:

SUNGARD
PUBLIC SECTOR
Government

Vertical:

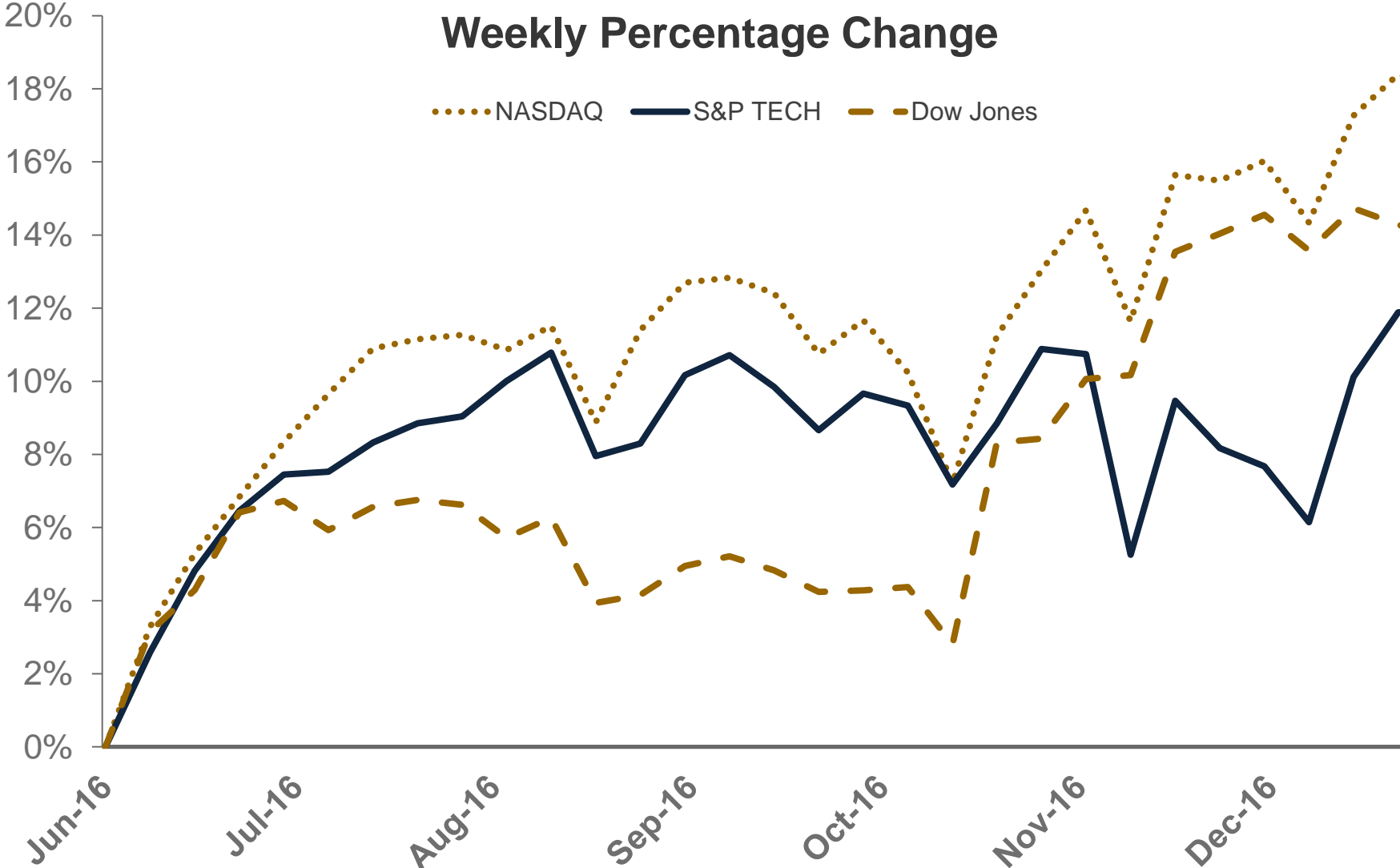
CALVIN
CAPITAL
Energy & Environment

Elemica
SCM

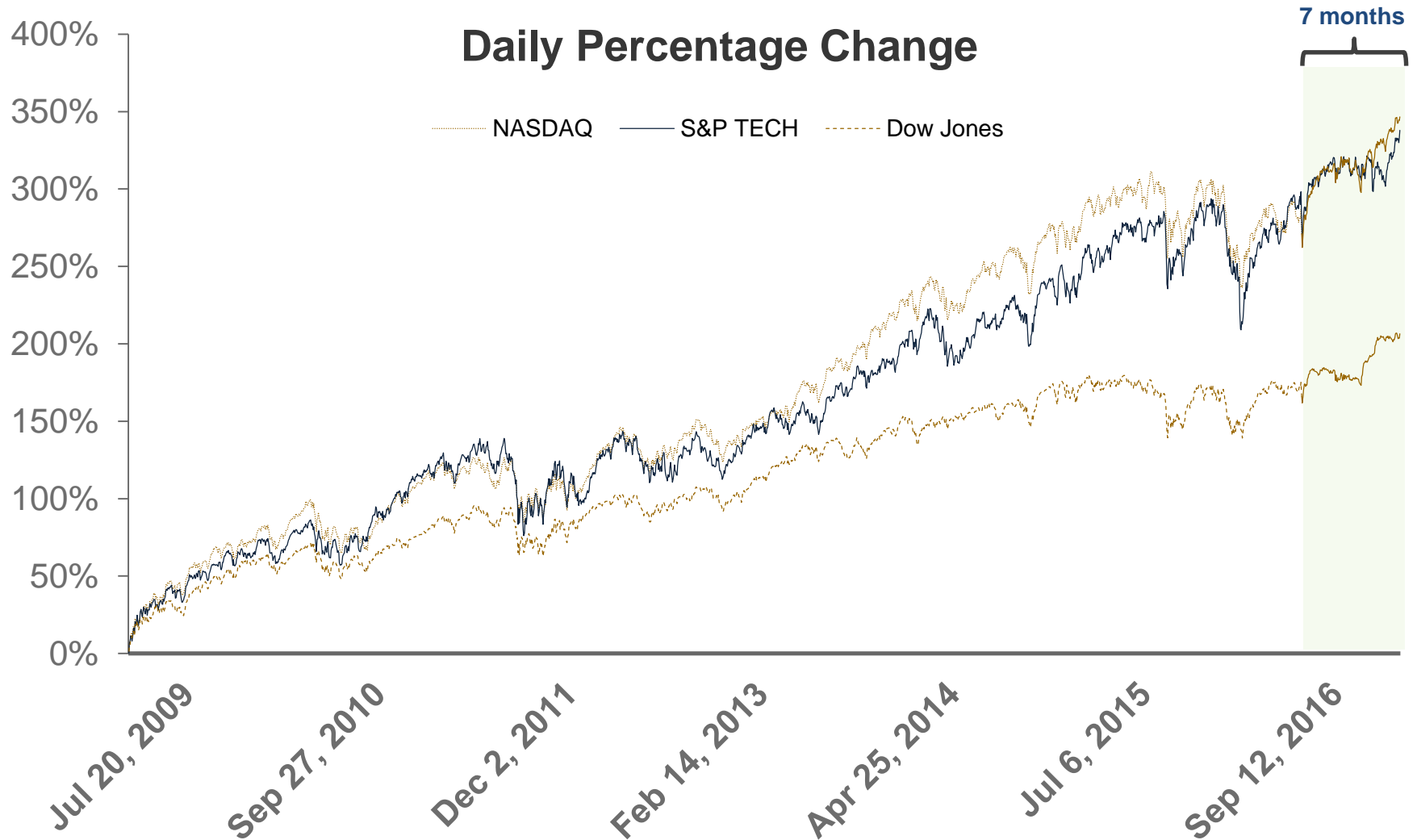
Public Markets

Weekly Percentage Change

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



The Bull Market, 2009-Present



Corum Index

Market

Transactions

Jan. 2016

367

Jan. 2017

335

9%

Mega Deals

5

5

Largest Deal

\$5.0B

\$3.7B

26%

Pipeline

Private Equity Deals

Jan. 2016

29

Jan. 2017

33

14%

VC Backed Exits

57

53

7%

Attributes

Cross Border Transactions

Jan. 2016

33%

Jan. 2017

33%

Start-Up Acquisitions

8%

9%

Average Life of Target

16 yrs

16 yrs

2017 Mega Deals – YTD



\$1.1B



\$2.6B



\$6.4B



IT Services Software Market

Public Valuation Multiples

Since Q4

Jan. 2017

Corum Analysis



Stable at record levels...



...supported by Corum's disruptive Focused IT Services trend.



IT Services Software Market

Deal Spotlights: Microsoft System Integrators



Sold to



Target: Stratiform [Canada]
Acquirer: PCM [USA]
Transaction Value: \$1.3M

- Microsoft Cloud Solutions provider focused on energy sector clients

EV



Sold to



Target: Navantis [Canada]
Acquirer: Datavail Corporation [USA]

- Web conferencing and CRM systems integration services as a Microsoft Gold Certified Partner

EV



Sold to



Target: Tridea Partners [USA]
Acquirer: Columbus IT Partner [Denmark]

- Microsoft Dynamics-based ERP and CRM systems integration services

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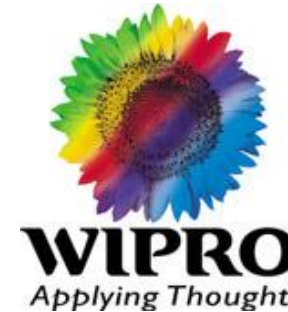


IT Services Software Market

Deal Spotlight: Security Services



Sold to



Target: InfoSERVER [Brazil]

Acquirer: Wipro [India]

Transaction Value: \$8.7M (14x EV/EBITDA)

- Application development, integration, consulting and training services for banks
- Scales up Wipro in the LATAM financial services and insurance domains



IT Services Software Market

Deal Spotlight: Government Contracts

HARRIS[®]

Sold to



Target: Harris Corporation [USA]

Acquirer: Veritas Capital [USA]

Transaction Value: \$690M

- IT systems design, engineering and systems integration for government agencies
- Continues Veritas' record of government technology focused platforms



IT Services Software Market

Deal Spotlights: Accenture



Sold to



Target: solid servision [Germany]
Acquirer: Accenture [Ireland]

- Service-management solutions and consulting

EV



Sold to



Target: InvestTech Systems Consulting [USA]
Acquirer: Accenture [Ireland]

- Investment systems architecture and EDM strategy integrator

EV



Sold to



Target: Altitude [USA]
Acquirer: Accenture [Ireland]

- Outsourced product design, consulting and engineering services
- Enhances Accenture's Connected Product Lifecycle Services

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ices



Infrastructure Software Market

Public Valuation Multiples

Since Q4

Jan. 2017

Corum Analysis

EV
Sales



3.3x

*Relatively stable values
as legacy providers
struggle to keep up with
the Cloud...*

EV
EBITDA



15.7x

*...and disruptive trends
create new opportunities.*



Infrastructure Software Market

Deal Spotlight: API management

Since Q4

Jan. 2017

Corum Analysis



apiary

Sold to

ORACLE®

Target: Apiary [USA]

Acquirer: Oracle Corporation [USA]

- API design lifecycle software
- Apiary's tech to be utilized in Oracle's API Integration Cloud



Infrastructure Software Market

Deal Spotlights: HPE



Target: SimpliVity [USA]
Acquirer: Hewlett Packard Enterprise [USA]
Transaction Value: \$650M (6.5x EV/S)



- Backup and recovery storage systems and storage management software



Target: Cloud Cruiser [USA]
Acquirer: Hewlett Packard Enterprise [USA]



- Metering and billing software for consumption of public, private and hybrid cloud services



Target: Niara [USA]
Acquirer: Hewlett Packard Enterprise [USA]



- Machine-learning enabled behavioral analytics SaaS

EV

EV

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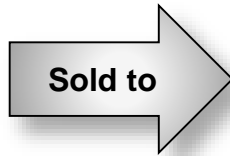
trends
tunities.



Infrastructure Software Market

Deal Spotlight: Network Management

APPDYNAMICS



Target: AppDynamics [USA]

Acquirer: Cisco Systems [USA]

Transaction Value: \$3.7B (17.4x EV/S)

- Application performance management SaaS
- Brings Cisco to competition with the other players in the APM space

covermymeds MCKESSON \$1.1B

VERTICAL

\$1.1B

CEB Gartner \$2.6B

IT SERVICES

\$2.6B

LANDESK CLEARLAKE CAPITAL \$1.1B

ixia KEYSIGHT TECHNOLOGIES \$1.6B

APPDYNAMICS CISCO \$3.7B

INFRASTRUCTURE

\$6.4B



Vertical Application Software Market

Public Valuation Multiples

Since Q4

Jan. 2017

Corum Analysis

EV
Sales



4.6x

Surprisingly stable in January, except for a significant rise in the Healthcare subsector.

EV
EBITDA



16.4x

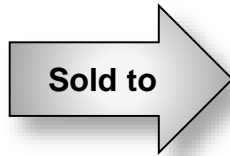
Stable as well, except for an increase in the Real Estate subsector.



Vertical Application Software Market

Deal Spotlight: Healthcare

covermymeds



McKESSON

Target: CoverMyMeds [USA]

Acquirer: McKesson Corporation [USA]

Transaction Value: \$1.1B

- Electronic medication prior authorization software for pharmacies, healthcare providers, and pharmaceutical companies
- Strengthens McKesson's diversified healthcare services

covermymeds McKESSON \$1.1B

VERTICAL

\$1.1B

CEB Gartner \$2.6B

IT SERVICES

\$2.6B

LANDESK	CLEARLAKE CAPITAL	\$1.1B
ixia	KEYSIGHT TECHNOLOGIES	\$1.6B
APPDYNAMICS	CISCO	\$3.7B
INFRASTRUCTURE		

\$6.4B



Vertical Application Software Market

Deal Spotlights: Automotive



Sold to



Target: Autonomos [Germany]
Acquirer: TomTom [Netherlands]

- Sensor-based, intuitive operation systems and software stacks for the autonomous vehicle industry

EV



Sold to



Target: GroundLink [USA]
Acquirer: Marcou Transportation Group [USA]

Marcou Transportation Group

- Online executive black car ride hailing services and a mobile application

EV



Sold to



Target: Limo Anywhere [USA]
Acquirer: Marcou Transportation Group [USA]

Marcou Transportation Group

- Cloud-based limo management software for limousine and black car operators

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Vertical Application Software Market

Deal Spotlights: Education



Sold to



Target: Questar Assessment [USA]
Acquirer: Educational Testing Service [dba ETS] [USA]
Transaction Value: \$128M

- K-12 education assessment management software

EV



Sold to



Target: Software Secure [USA]
Acquirer: PSI Services [USA]

- Exam proctoring SaaS for K-12 schools, higher education and certification organizations

EV



Sold to



Target: Intellus Learning [USA]
Acquirer: Macmillan Learning [USA]

- Education management SaaS for colleges and universities

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Vertical Application Software Market

Deal Spotlights: Real Estate



Sold to



Target: Showing Suite [USA]
Acquirer: ShowingTime [USA]

- Real estate management SaaS

EV



Sold to



Target: Floored [USA]
Acquirer: CBRE [USA]

- 3D graphics and visualization SaaS

EV

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Vertical Application Software Market

Deal Spotlight: Virtual Reality

Since Q4

Jan. 2017

Corum Analysis



MWPOWERLAB

Sold to

Schneider
Electric

Target: MWPowerlab [Italy]

Acquirer: Schneider Electric SA [France]

- 3D virtual and augmented reality operator training and simulation software
- Enhances Schneider Electric Enterprise Asset Performance Management platform

Corum Research Report



Elon Gasper
EVP, Research



Yasmin Khodamoradi
Analyst



Thomas Wright
Analyst

Private Equity Roundtable



René Yang
Vista Equity Partners
Principal



Michael Libert
TA Associates
Vice President



Maurice Hernandez
Accel-KKR
Vice President

Special Guest



René Yang
Vista Equity Partners
Principal



René joined Vista Equity Partners in 2007. She co-heads the Endeavor Fund and sits on its Investment Committee. Rene currently works with the firm's investment in AGDATA and Lone Wolf and was actively involved in Vista's past investments in Accruent and Mitratech.

Prior to joining Vista, René worked at Yahoo! in the Corporate Finance Group, focusing on mergers & acquisitions and business development opportunities for the company. Before working with Yahoo!, René worked in the Global Technology Group at Lehman Brothers.

Special Guest



Michael Libert
TA Associates
Vice President



Michael joined TA Associates in 2011 and operates from the firm's Boston office where he leads investment opportunities around the world. He is an active investor in Nintex, Prometheus Group (acquired by Francisco Partners), Bomgar (acquired by Thoma Bravo), Answers (acquired by Apax Partners), and PDI. Michael has executed eight platform and add-on technology acquisitions.

Prior to TA Associates, Michael worked at Bain & Company where he focused on Private Equity and Technology clients.

Michael graduated Cum Laude from Harvard University in 2009 and obtained a MBA from Stanford in 2016.

Special Guest



Maurice Hernandez
Accel-KKR
Vice President



Maurice Hernandez joined Accel-KKR in 2007 and is based in the firm's London office where he leads buyout and growth equity investments across Europe. Maurice has been involved with AKKR's investments in portfolio companies Clavis Insight, HighJump, Kerridge Commercial Systems, North Plains, One.com and Smart Communications.

Maurice was involved with the firm's past investments in Saber (acquired by EDS, now Hewlett Packard Enterprise, in 2007 for \$460 million), iTradeNetwork (acquired by Roper Technologies in 2010 for \$525 million), Endurance International Group (acquired by a private equity consortium in 2011 for \$1.0 billion) and Zinc Ahead (acquired by Veeva Systems in 2015 for \$130 million).

Prior to joining AKKR, Maurice was a member of Deutsche Bank's Technology Mergers & Acquisitions team where he was involved in a variety of mergers, acquisitions and buyouts in the software and technology-enabled services sectors.

Maurice received a B.S. in Applied Economics and Management from Cornell University.

Private Equity Roundtable



René Yang
Vista Equity Partners
Principal



Michael Libert
TA Associates
Vice President



Maurice Hernandez
Accel-KKR
Vice President

Q&A

- We welcome your questions!
 - Use Q&A chat box to the right of the 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.”

Feb. 16: **Houston** – SUSO

Feb. 21: **Reading** – MB

Feb. 22: **Orlando** – SUSO

Feb. 23: **Edinburgh** – MB

Feb. 28: **Amsterdam** – MB

Mar. 2: **Seattle** – SUSO

Mar. 7: **Kansas City** – MB

Mar. 8: **St. Louis** – MB

Mar. 9: **Berlin** – MB

Mar. 28: **Boston** – SUSO



www.corumgroup.com