



Global Tech M&A Monthly Forecast 2014, Part II Private Equity Panel & Report

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Moderator



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.

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Agenda

- Welcome
- Field Report
- Research Report: Annual
- Private Equity Panel
- Closing Thoughts
- Q&A

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Field Report - Inffinix



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Corum Research Report



Elon Gasper
Vice President,
Director of Research



Alina Soltys
Senior Analyst



Amber Stoner
Senior Analyst



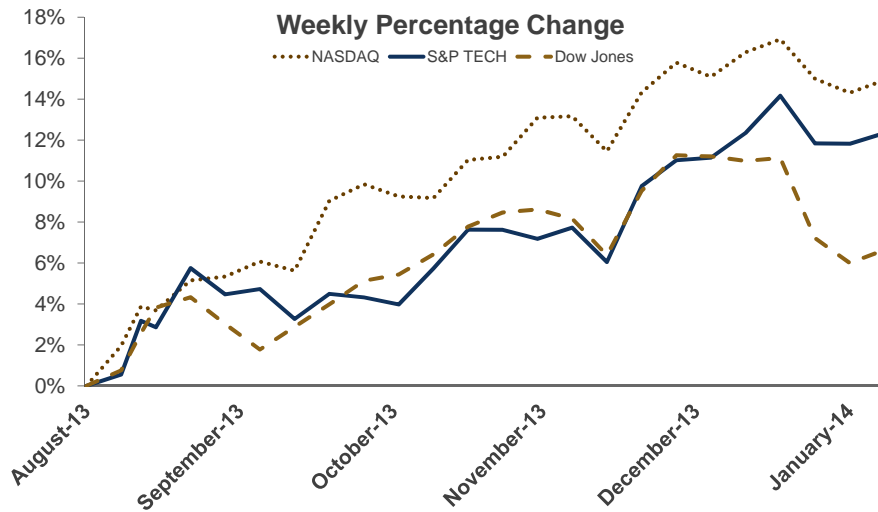
Laura Duren
Analyst



Olga Prodan
Analyst







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Public Markets



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Cash

Company	Total Cash Reserves		Total Increase		Held Offshore	
	2007	2014	Amount	Percent	Amount	Percent
 Apple	\$9	\$159	\$150	1667%	\$121	76%
 Microsoft	\$6	\$84	\$78	1300%	\$79	94%
 CISCO	\$4	\$48	\$44	1100%	\$30	63%
 Google	\$6	\$59	\$53	883%	\$41	69%
 ORACLE	\$6	\$39	\$33	550%	\$32	82%
 intel	\$9	\$26	\$17	189%	\$16	62%

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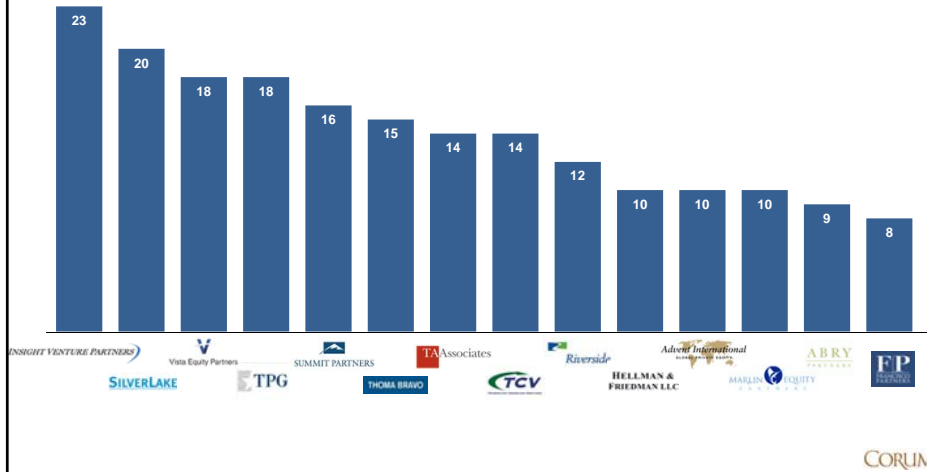
Corum Index

	Jan. 2013	Jan. 2014
# of Transactions	314	307
# of Mega Deals	2	4
Largest Deal	\$1.5B	\$3.2B
Private Equity Deals	26	16
# VC backed Exits	65	61
% Cross Border Transactions	30%	33%
% of Startup Acquisitions*	9%	13%
Average Life of Target	15	15

Buyer	Seller	Price
Google	Nest Labs	\$3.2B
Lenovo Group	Motorola Mobility	\$2.9B
Lenovo Group	IBM	\$2.9B
VMware	AirWatch	\$1.5B

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Top Private Equity Acquirers: 2013



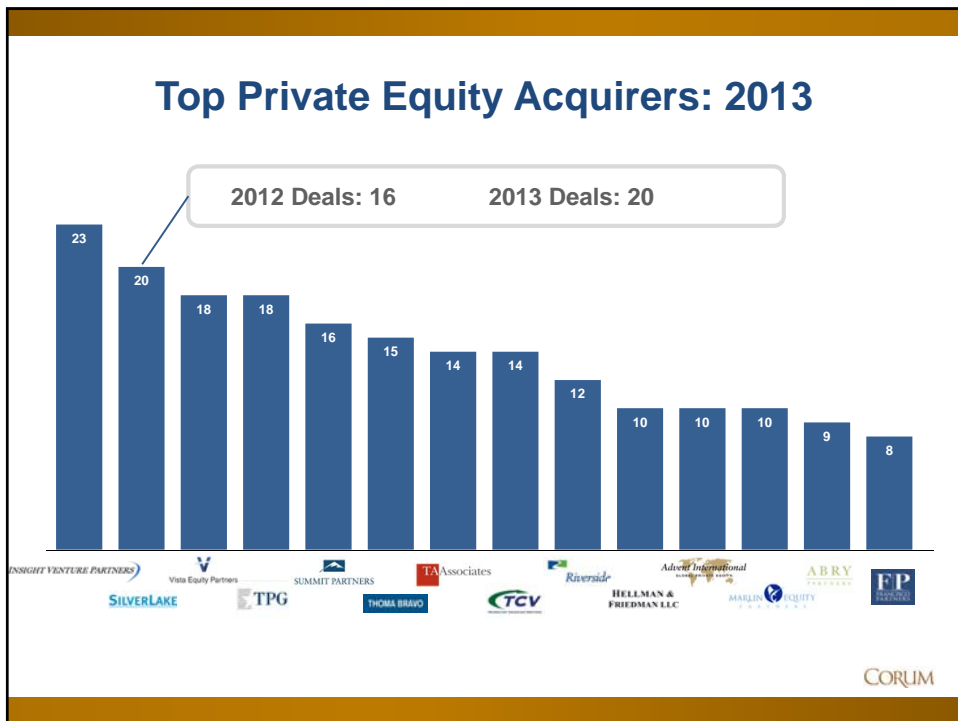
Top Private Equity Acquirers: 2013



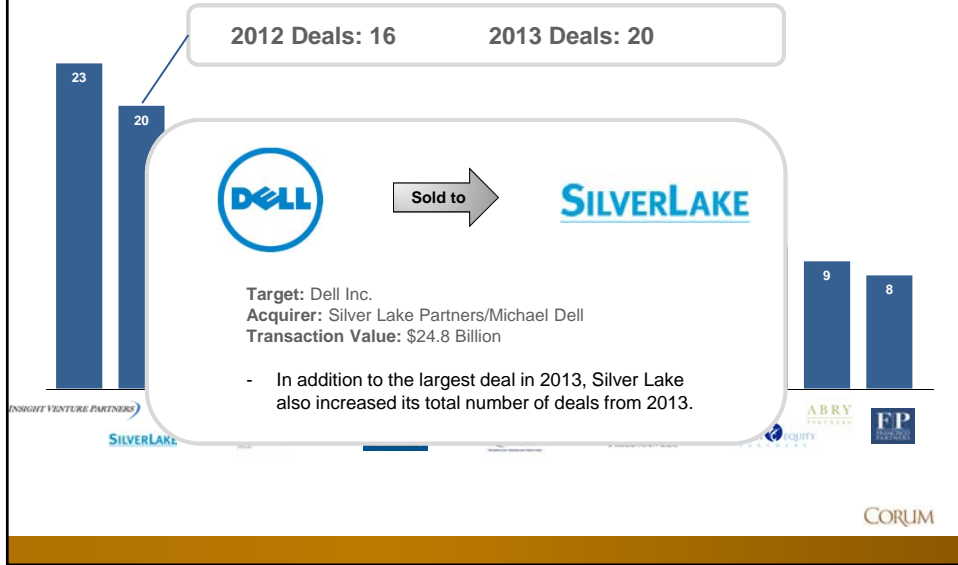
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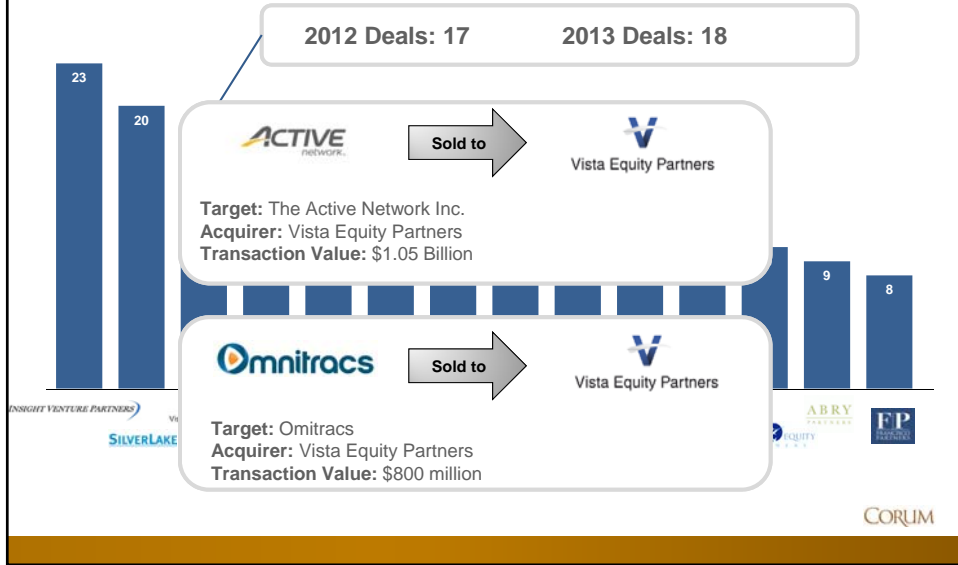
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Top Private Equity Acquirers: 2013



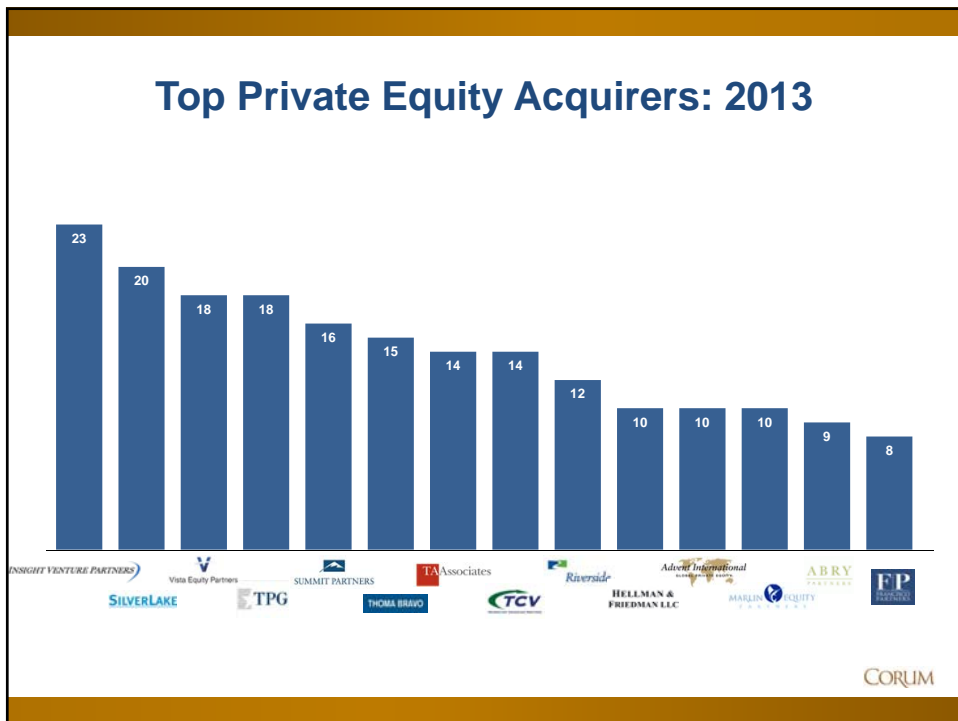
Top Private Equity Acquirers: 2013



Top Private Equity Acquirers: 2013



Top Private Equity Acquirers: 2013





Horizontal Application Software Market

Public Valuation Multiples

Since Q4

Jan. 2014

Corum Analysis

EV / Sales



3.9x

Still highest of all six sectors and near multi-year highs.

EV / EBITDA



19.0x

Small decrease driven by general downward pressure in the public markets.

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Horizontal Application Software Market

Deal Spotlight

PeopleAnswers
Better Insight. Better People.



Sold to

infor

Sector: ERP
Target: PeopleAnswers
Acquirer: Infor Global Solutions
Transaction Value: Undisclosed

- Employee and job applicant assessment SaaS for businesses that analyzes employee performance.
- Creates one of the first HCM suites to deliver a real-world use case for big data that impacts results that can be measured.

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Horizontal Application Software Market

Deal Spotlight

REFLEXIS
REFLEXIS



SAGEVIEW
CAPITAL

Sector: ERP
Target: Reflexis Systems
Acquirer: Sageview Capital
Transaction Value: Undisclosed

- Acquired 51% stake in Reflexis.
- Workforce management and BI SaaS for corporate performance monitoring, reporting and business optimization for the retail industry.

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Horizontal Application Software Market

Deal Spotlight

parature



Microsoft

Sector: CRM
Target: Parature, Inc.
Acquirer: Microsoft
Transaction Value: Undisclosed

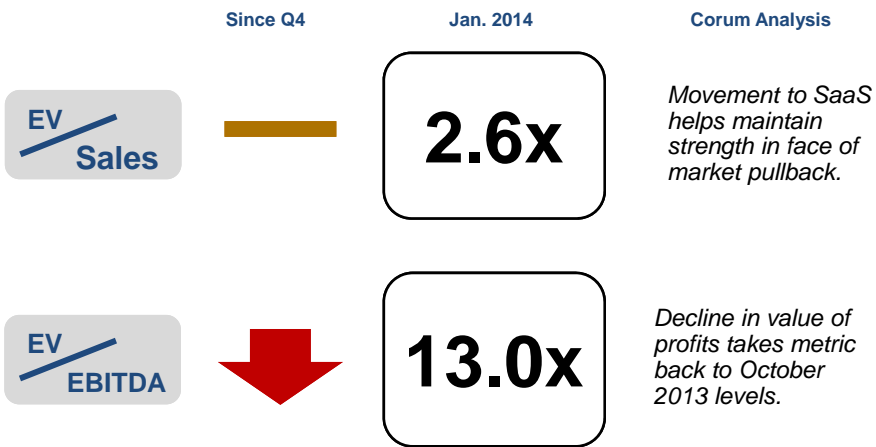
- Reported at \$100 million.
- Multi-channel customer service automation and help desk SaaS that enables customer service and customer engagement.

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Vertical Application Software Market

Public Valuation Multiples



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Vertical Application Software Market

Deal Spotlight



Sector: Broadcast Media
Target: Digitalsmiths Corp.
Acquirer: TiVo, Inc.
Transaction Value: \$135 million

- Video search and recommendation SaaS, enabling customers to receive targeted video content recommendations.
- Will expand TiVo's role with Tier-one U.S. Service Providers through its significant relationships with the 7 of the top ten U.S. Pay-TV providers.

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Vertical Application Software Market

Deal Spotlight



Sector: Life Sciences
Target: Accelrys, Inc.
Acquirer: Dassault Systèmes S.A. [France]
Transaction Value: \$750 million

- Hosted and on-premise scientific data capture, product lifecycle management, modeling, simulation and analysis software.
- Enriches molecular chemistry capabilities from discovery to manufacturing and regulatory requirements of their formulation-based industry offerings.

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Internet Market

Public Valuation Multiples

Since Q4

Jan. 2014

Corum Analysis

EV
Sales



2.3x

Pure-play and infrastructure buildout keeps it near multi-year highs.

EV
EBITDA



13.6x

Drop driven by general downward pressure in the public markets and delayed priority for profitability.

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Internet Market

Deal Spotlight

legalzoom®



Permira

Sector: Legal
Target: LegalZoom.com, Inc.
Acquirer: Permira Funds [UK]
Transaction Value: Undisclosed

- Reported at more than \$200m for an undisclosed majority stake.
- Online legal documents and planning services for consumers and small businesses in US.

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IT Services Market

Public Valuation Multiples

Since Q4

Jan. 2014

Corum Analysis

EV / Sales



0.67x

24-month highs, despite lower market trend.

EV / EBITDA



9.7x

Continuing upward trend started end of Q3 2013.

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IT Services Market

Deal Spotlight

stream



CONVERGY'S

Target: Stream Global Services
Acquirer: Convergys Corporation
Transaction Value: \$445.8 million

- Outsourced call center-based technical support and customer care services for businesses worldwide.
- Expects acquisition to expand and strengthen its US and global presence in the \$55 billion outsourced customer management services industry.
- Combined company revenue is expected to exceed \$3 billion, creating the second largest customer management services provider in the world.

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IT Services Market

Deal Spotlight

 **ClientHouse**
Optimizing Customer Management



accenture

Target: ClientHouse GmbH [Germany]
Acquirer: Accenture [Ireland]
Transaction Value: Undisclosed

- Salesforce.com and Veeva CRM systems integration and training services for the life sciences & pharmaceutical industries in Germany & Switzerland.
- Strengthens Accenture's position in Salesforce implementation services and SaaS implementations.

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Consumer Application Software Market

Public Valuation Multiples

Since Q4

Jan. 2014

Corum Analysis

EV / Sales



1.9x

Post-holiday pullback accentuates overall trend of the market.

EV / EBITDA



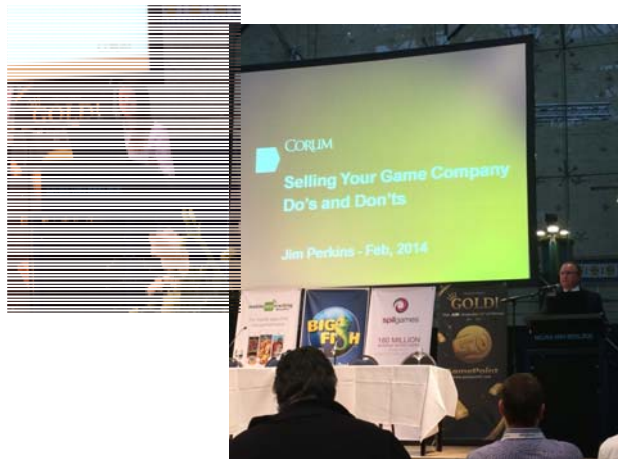
8.3x

Pulls back 3% from last month, still up 30% year-over-year.

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AMSTERDAM 2014



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Consumer Application Software Market

Deal Spotlight: Gaming



Target: NaturalMotion [UK]
Acquirer: Zynga
Transaction Value: \$487.4 million

- Mobile & social games featuring 3D character animation.
- Big mobile hit in 'Clumsy Ninja,' plus animation middleware that has led to licensing deals with movie studios and other gaming vendors.

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Consumer Application Software Market

Deal Spotlight: Gaming



Target: Epic Games, Inc.
Acquirer: Microsoft
Transaction Value: Undisclosed

- Acquired Gears of War game assets, a first-person shooter game for the Xbox console.
- Over twenty-two million units sold across the "Gears of War" titles, grossing over \$1 billion.

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Consumer Application Software Market

Deal Spotlight: Gaming



Target: Double Helix Games
Acquirer: Amazon
Transaction Value: Undisclosed

- Develops action and adventure video games for consumers for use with Windows and PlayStation and Xbox consoles.
- Supports rumors Amazon will release a gaming device of its own.

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Infrastructure Software Market

Public Valuation Multiples

Since Q4

Jan. 2014

Corum Analysis

EV / Sales



2.2x

Commoditization drops sector to lowest sales multiple since February 2013...

EV / EBITDA



12.6x

...but EBITDA ratio drops back to just Q3 2013 numbers, as profitable models hold value.

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Infrastructure Software Market

Deal Spotlight



Sector: Mobile Device Management
Target: AirWatch, LLC
Acquirer: VMware
Transaction Value: \$1.54 Billion

- Mobile device management software and mobile application, content and security management software for various mobile operating systems.
- The deal values AirWatch at about 15x last year's bookings.

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Infrastructure Software Market

Deal Spotlight



Sector: Security
Target: MANDIANT Corporation
Acquirer: FireEye, Inc.
Transaction Value: \$989.4 million

- Cybersecurity incident response remediation and consulting services for businesses, law firms and government agencies in the US.
- Deal valued at 9.7x revenue.

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Infrastructure Software Market

Deal Spotlight



Sector: Infrastructure Management
Target: Compuware Corporation
Acquirer: Marlin Equity Partners
Transaction Value: \$160 million

- Acquired Compuware's Changepoint, Professional Services and Uniface business units.
- Application development and IT management services and professional services automation services and software.

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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



Olga Prodan
Analyst

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Panel Moderator



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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Private Equity Panel



John Hodge
RUBICON Technology
Partners



Devin Mathews
Chicago Growth Partners



Mark Taber
Great Hill Partners



Sebastian Briens
HgCapital


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Private Equity Panel



John Hodge
RUBICON Technology Partners
Menlo Park, California

John is a Partner at RUBICON Technology Partners. Previously, John was a Senior Managing Director and Senior Advisor at Blackstone in the Private Equity group focused on the firm's global technology investing activities from 2006 through 2011. John was directly involved in Blackstone's investments in Freescale Semiconductor, SunGard and SunGard Higher Education. In addition to his technology investing responsibilities, as a Senior Managing Director, John was a member of the firm's Private Equity Investment Committee, which evaluated all investments globally.

John has over 22 years of experience focused exclusively on the global technology industry. John is currently a Director of Silicon Image where he is Chairman of the Strategy Committee and also a member of the Audit Committee. John was previously a Director of Freescale Semiconductor and a member of the Operating and Audit Committees and also was a member of SunGard's Board, Operating Committee, and SunGard Higher Education. Prior to his time at Blackstone, John was one of original team members of the Credit Suisse First Boston Technology Group where he managed the Global Corporate Finance team with responsibilities for all regions and industry groups. John received a B.S. in Biology from Stanford University. 

Private Equity Panel



Devin Mathews
Chicago Growth Partners
Chicago, Illinois

Devin has been a technology investor for twenty years. He began his career at William Blair & Company in the equity research department analyzing industry trends and writing about public technology companies. Devin spent five years at Great Hill Partners in Boston and five years at Baird Venture Partners in Chicago where he was the Managing Partner of Baird's growth equity fund. While completing his MBA, Devin worked at Gilde Investment Management in Utrecht, The Netherlands analyzing the European Internet and software industries. At each firm, Devin focused on buyout and growth investments across the software and tech-enabled solutions sectors.

Devin received his MBA from the Tuck School of Business at Dartmouth and he holds a BA from the State University of New York at Binghamton where he graduated Phi Beta Kappa. He is the Board President at Threewalls, a non-profit organization helping Chicago's emerging visual artist community.



Private Equity Panel



Mark Taber
Great Hill Partners
Boston, Massachusetts

Great Hill Partners is a Boston-based private equity firm with over \$3 billion under management. We seek to partner with rapidly growing middle market companies operating in the following sectors: business services, consumer services, financial technology, healthcare technology, Internet, logistics, media/communications, software and transaction processing. We partner with premier management teams in our areas of expertise to help them achieve their objectives. We typically invest \$30-\$150 million in equity in each investment transaction.

Mark Taber is a Managing Partner and is responsible for transaction origination, investment policy, fundraising, investor relations and the general management of Great Hill Partners. His investment experience covers a broad group of industries including health care, financial technology, telecommunications, software and business services. Mark serves on the Board of Directors of DealerRater. He formerly served on the Boards of Accelerated Payment Technologies, Inc., BillMatrix Corporation, Custom House Ltd., FirstCall HealthCare, Inc., Passport Health Communications, Inc., SterilMed, Inc., Surebridge, Inc., triVIN, Inc. and Vivax, S.A.

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Private Equity Panel



Sebastian Briens
HgCapital
London, England

Sebastian is an Associate Director in HgCapital's TMT team. He specializes in growth buyouts in the Technology sector, with a particular focus on B2B application software / SaaS investments. He sits on the board of IntelliFlo, the UK's leading SaaS platform for financial advisers.

He joined HgCapital in 2011, from Quadrangle Capital Partners, where he focused on investments in the communications, media and online sectors. Previously, he worked for Bain & Company and France Telecom. Sebastian holds a Masters in Business Administration with Distinction from Harvard Business School and is a graduate of École des Mines and Institut d'Études Politiques de Paris.

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Private Equity Panel



John Hodge
RUBICON Technology
Partners



Devin Mathews
Chicago Growth Partners



Mark Taber
Great Hill Partners



Sebastian Briens
HgCapital

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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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Private Equity Panel



John Hodge
RUBICON Technology
Partners



Devin Mathews
Chicago Growth Partners



Mark Taber
Great Hill Partners



Sebastian Briens
HgCapital

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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."

- | | |
|-----------------------------------|-------------------------------------|
| Feb. 13: Portland – MB | Mar. 10: Dubai – MB |
| Feb. 14: Amsterdam – MB | Mar. 11: Madison – MB |
| Feb. 18: Berlin – MB | Mar. 11: Milwaukee – MB |
| Feb. 28: Barcelona – MB | Mar. 12: Philadelphia – SUSO |
| Mar. 4: Ottawa – MB | Mar. 13: Toronto – MB |
| Mar. 4: San Diego – MB | Mar. 20: Denver – SUSO |
| Mar. 5: Orange County – MB | Mar. 25: Houston – MB |
| Mar. 6: Los Angeles – SUSO | Mar. 27: Dallas – MB |
| Mar. 6: New York – MB | Apr. 2: Chicago – SUSO |

www.CorumGroup.com/Events

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After the Deal – Celebration



www.corumgroup.com

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