Tech M&A Monthly

Midyear Report: H1 2016

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TECH M&A MONTHLY

….starts in 2 minutes

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www.corumgroup.com

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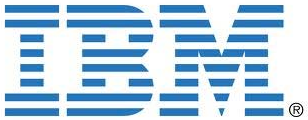
Past Attendees Include:



Past Conferences & Reports

- Private Equity Panel
- 10 Key Terms in an M&A Contract
- Google Acquisition Strategy
- Deal Structures Today
- Disruptive Tech Trend Reports: IoT Software, Majority Mobilization, Sports & Gaming, etc.
- Special Reports: Patents, New Buyers, M&A Process, Increasing Deal Value…

TECH M&A MONTHLY

….starts in 1 minute

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Merge Briefing

- 90 Minutes
- Industry Update
- Overview of the M&A Process
- Upcoming events in:
  - Boston
  - Seattle
  - Denver
  - Salt Lake City
  - Los Angeles

MERGE BRIEFING

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Selling Up, Selling Out

- Half-Day
- Tech M&A Bootcamp
- The most attended tech executive conference in history
- Upcoming events in:
  - New York City
  - San Francisco
  - Atlanta
  - London

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SELLING UP
SELLING OUT

8 Stages for an **Optimal Outcome**

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Typical Negotiation Flow

AVOIDING THE

DEAL DISASTERS

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Upcoming Conference Schedule

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

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

July 19: **Boston** – MB

July 21: **New York** – SUSO

… With more events in:

Atlanta

Salt Lake City

Denver

London

San Francisco

Los Angeles

Seattle

www.CorumGroup.com/Events

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Logistics

- Ask questions any time
  - Use Q&A tab on bottom of screen
  - Click “Refresh Now” to view responses
- This event is being recorded
  - European broadcast July 15, 1 PM Berlin Time
  - On demand webcast will be available at www.corumgroup.com

Tech M&A Monthly

Midyear Report: H1 2016

14 July 2016

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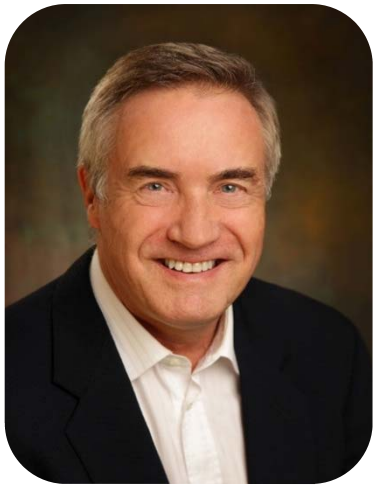
Welcome



Bruce Milne
CEO
Corum Group Ltd.

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

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

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

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

Agenda

- Welcome
- Field Report: Gurock/Idera
- 2016 Midyear Research Report
- Top 10 Disruptive Tech Trends Updates
  - Online Exchanges
  - Digital Currency Flow
  - Connected Health
  - Omnichannel Sales
  - IoT Software
  - Enmeshed Systems
  - AI Enablement
  - Positioning Intelligence
  - Sports & Gaming
  - Data Security
- Q&A

Field Report: Gurock acquired by Idera

Jon Scott
Managing Director
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.

Corum Research Report

Elon Gasper
Vice President,
Director of Research

Amber Stoner
Senior Analyst

Aaron King
Analyst

Yasmin Khodamoradi
Analyst

Thomas Wright
Analyst

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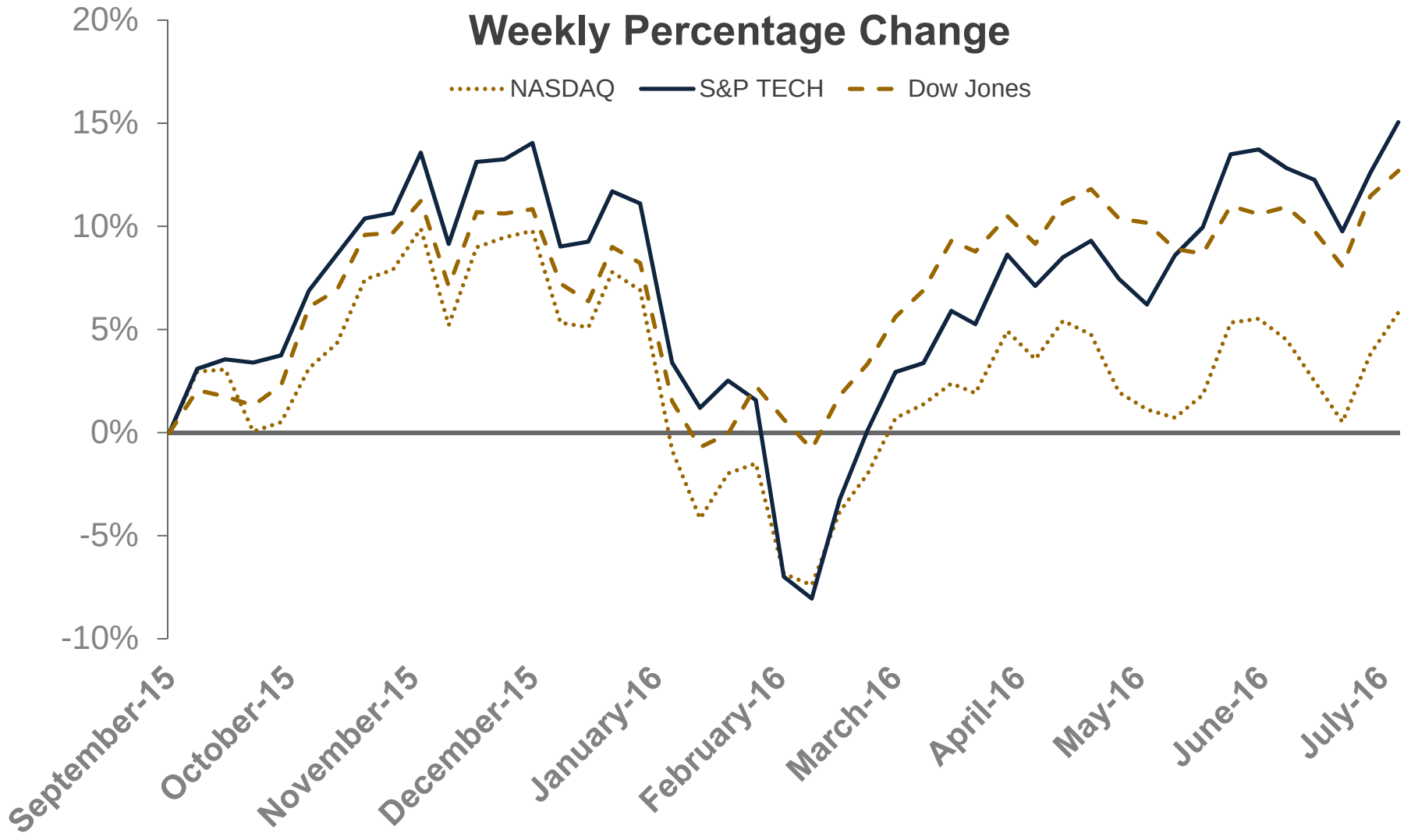
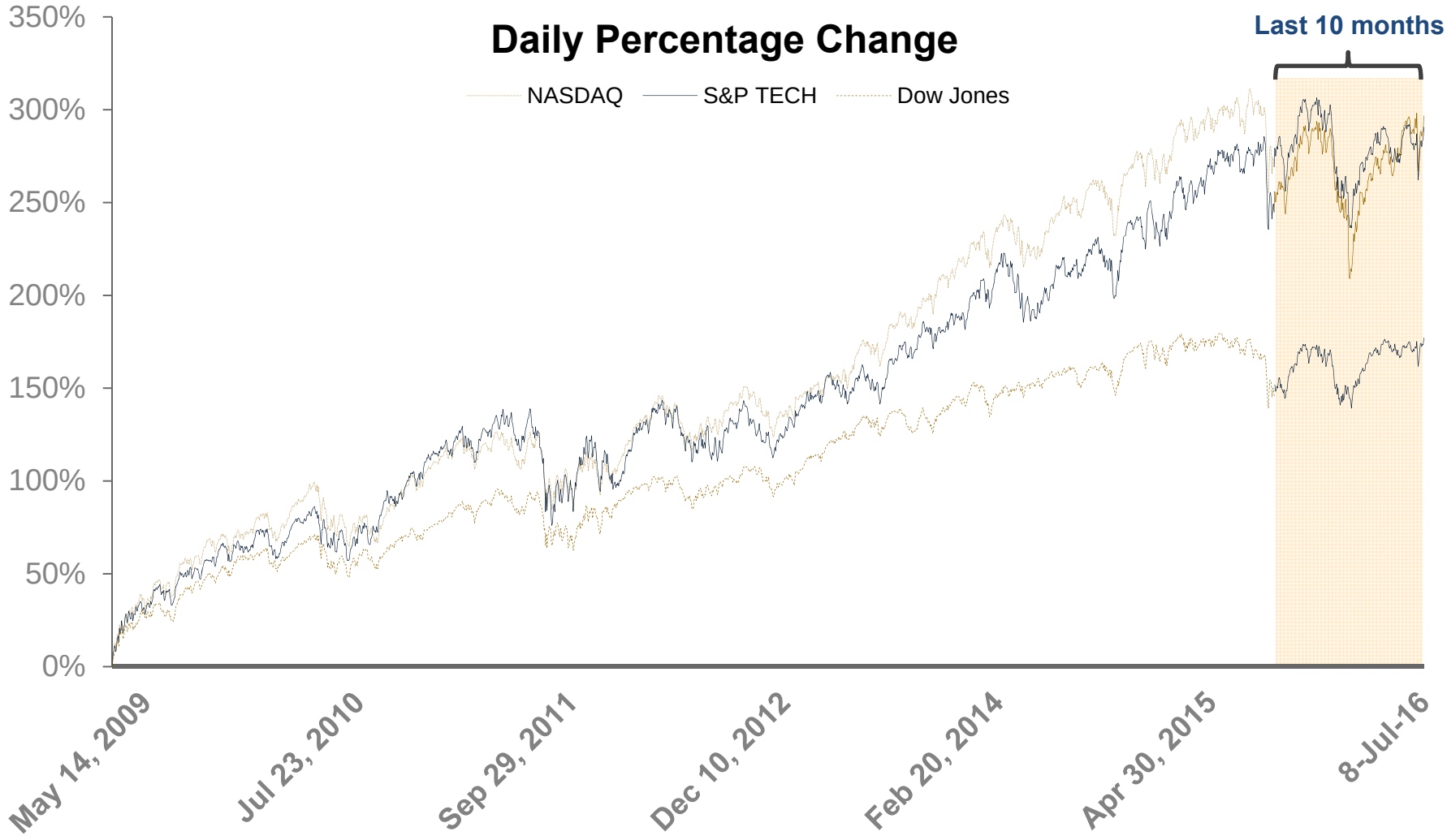
Public Markets



The Bull Market, 2009-Present



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Corum Index

Market

	1H:2015	1H:2016	
Transactions	2068	2069	—
Mega Deals	29	34	17%
Largest Deal	$37B	$26B	30%

Pipeline

	1H:2015	1H:2016	
Private Equity Deals	105	139	32%
VC Backed Exits	339	322	5%

Attributes

	1H:2015	1H:2016	
Cross Border Transactions	33%	34%	3%
Start-Up Acquisitions	11%	12%	9%
Average Life of Target	15 yrs	15 yrs	—

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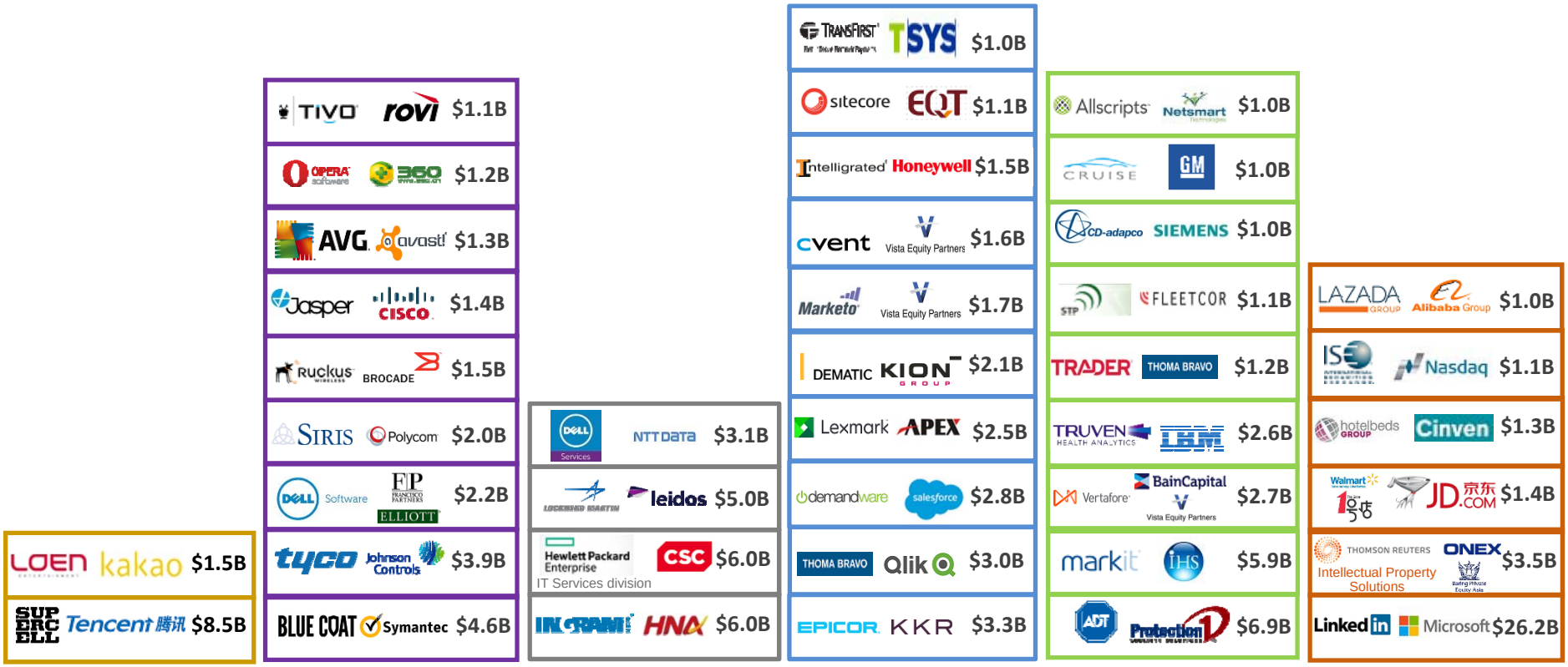
Mega Deals - 2016 YTD



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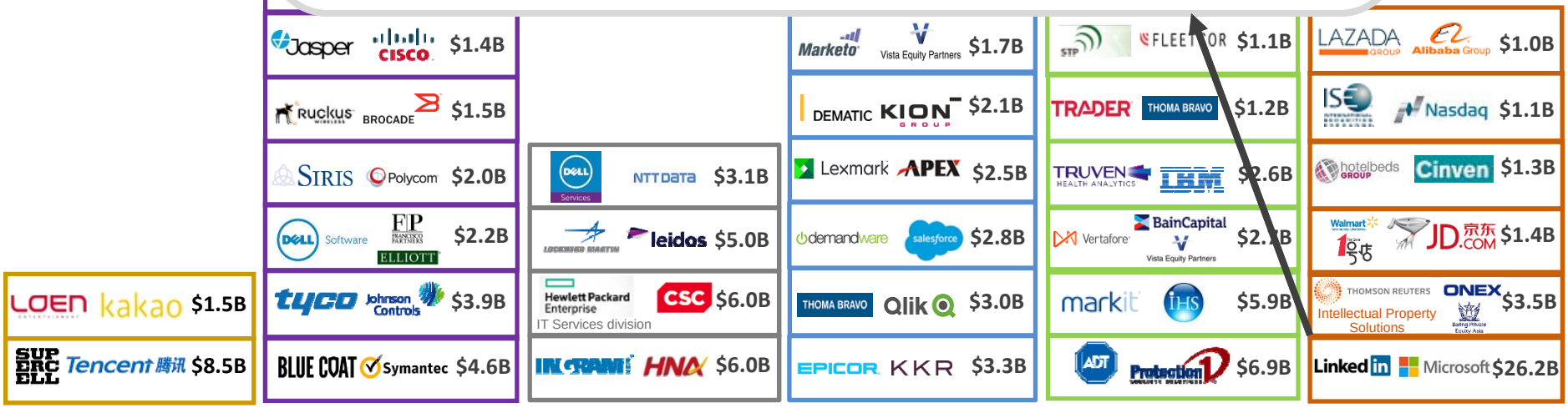
Mega Deals - 2016 YTD

LinkedIn Sold to Microsoft

Target: LinkedIn Corporation [USA]
Acquirer: Microsoft Corporation [USA]
Transaction Value: $26.2B (8.2x EV/S and 74x EBITDA)

- Followed the acquisition of Connectifier (recruiting SaaS) for $106M in February 2016



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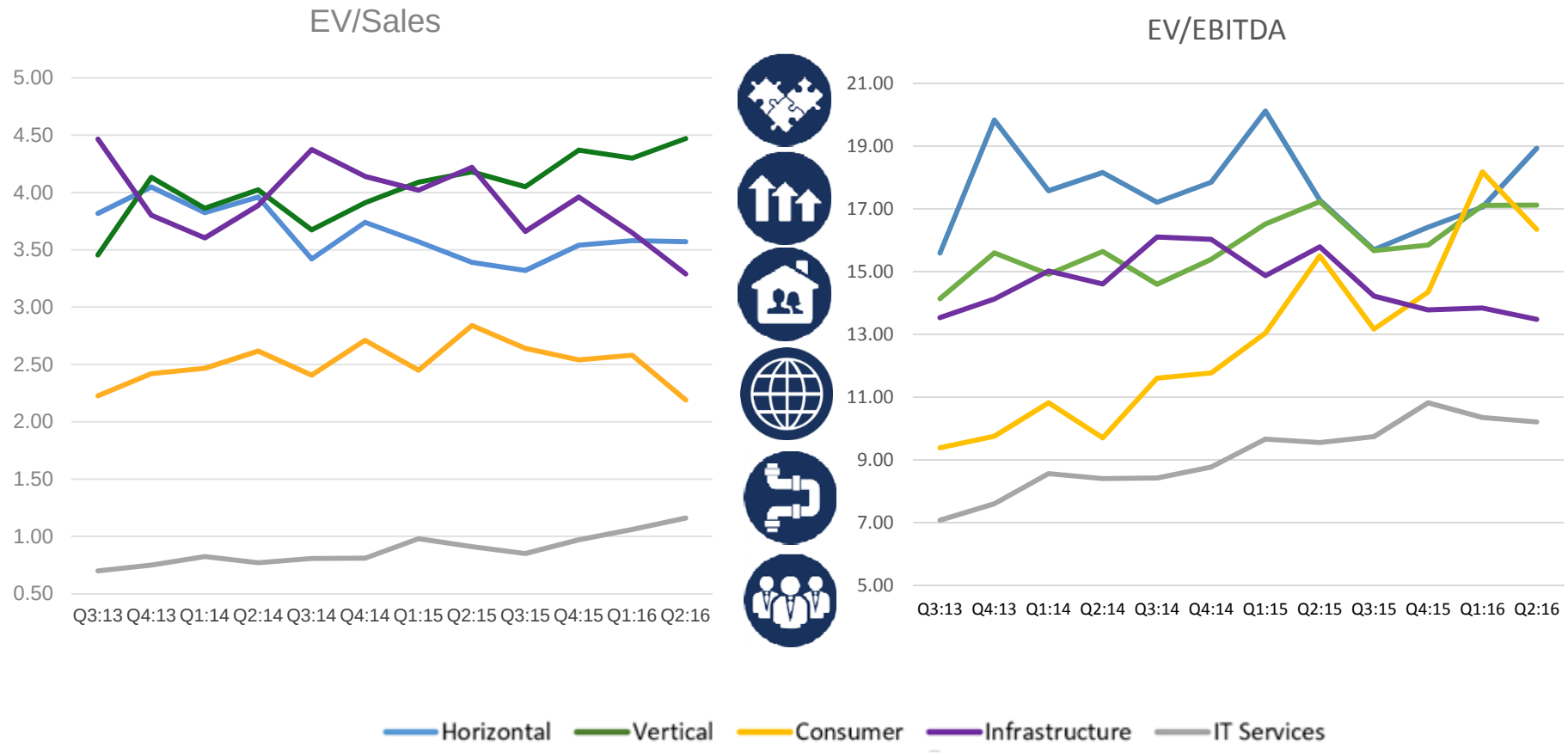
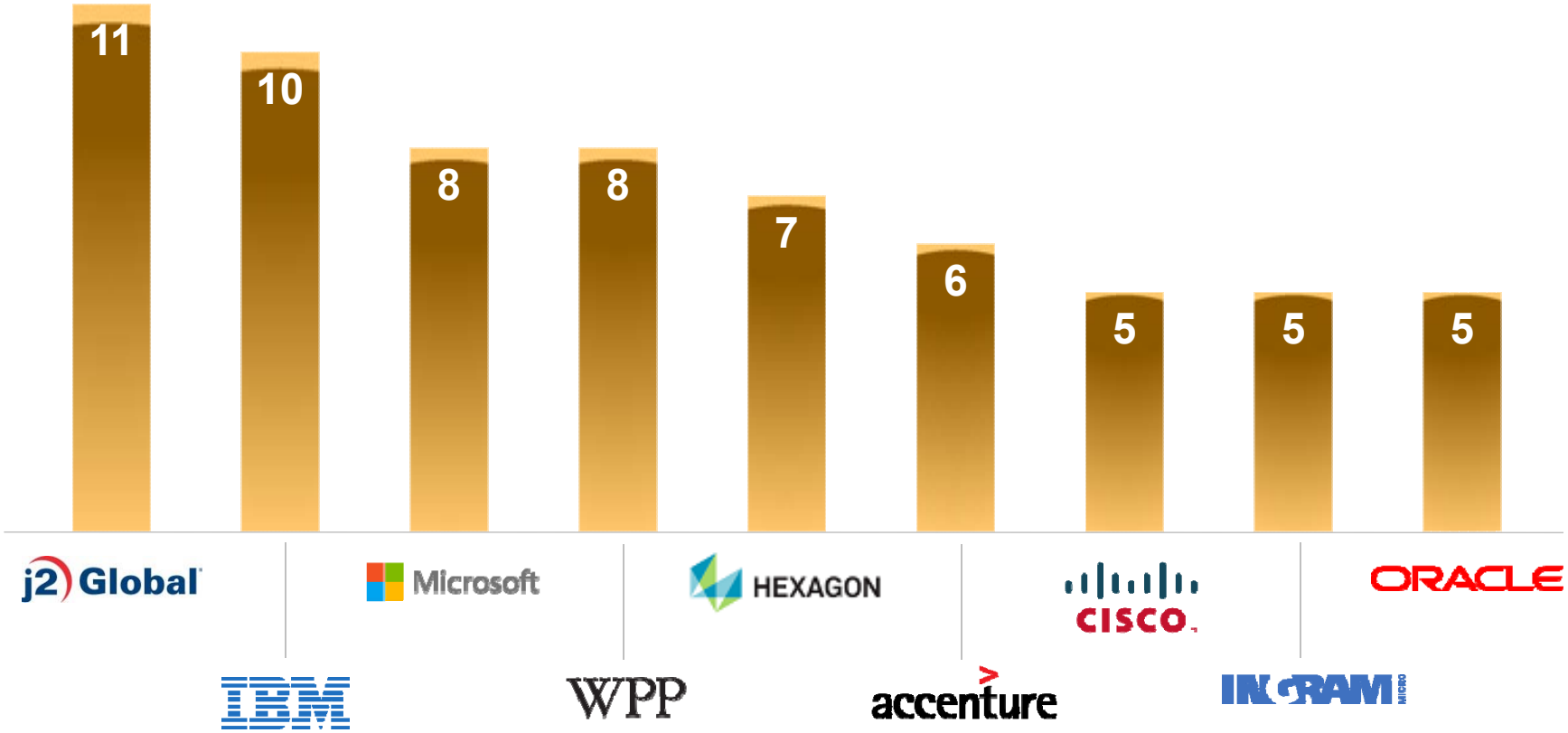
3-Year Market Valuation Trends



Top Strategic Acquirers – 1H:2016



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J2 Global Acquisitions 1H 2016 - YTD

j2 Global

Business Cloud Services

Security

Yotta 2.80 — Enterprise Backup and Disaster Recovery

Global datavault — protect your business

LiveVault

MX Toolbox

OnDemand Recovery

24sevenbackup

SafeBackup

evs

Other

callstream — call management experts

mailout

AUSWEB

WHATCOUNTS — Leaders in Data-Driven Email

SMTP — email delivered

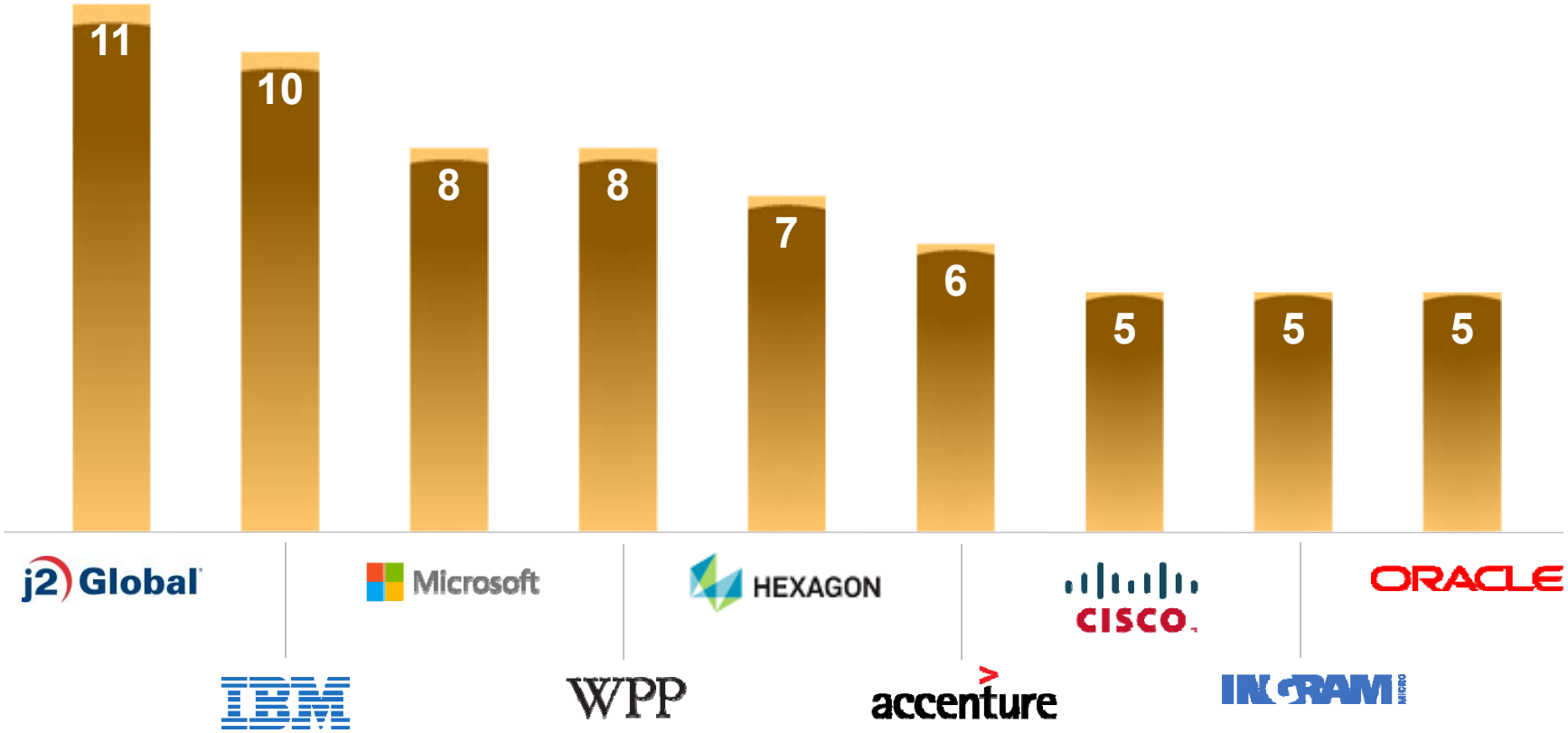
Digital Media

Gawker Media

Offers.com — Save Time • Save Money • The Best Offers

GT — GAMETRAILERS.COM

Top Strategic Acquirers – 1H:2016



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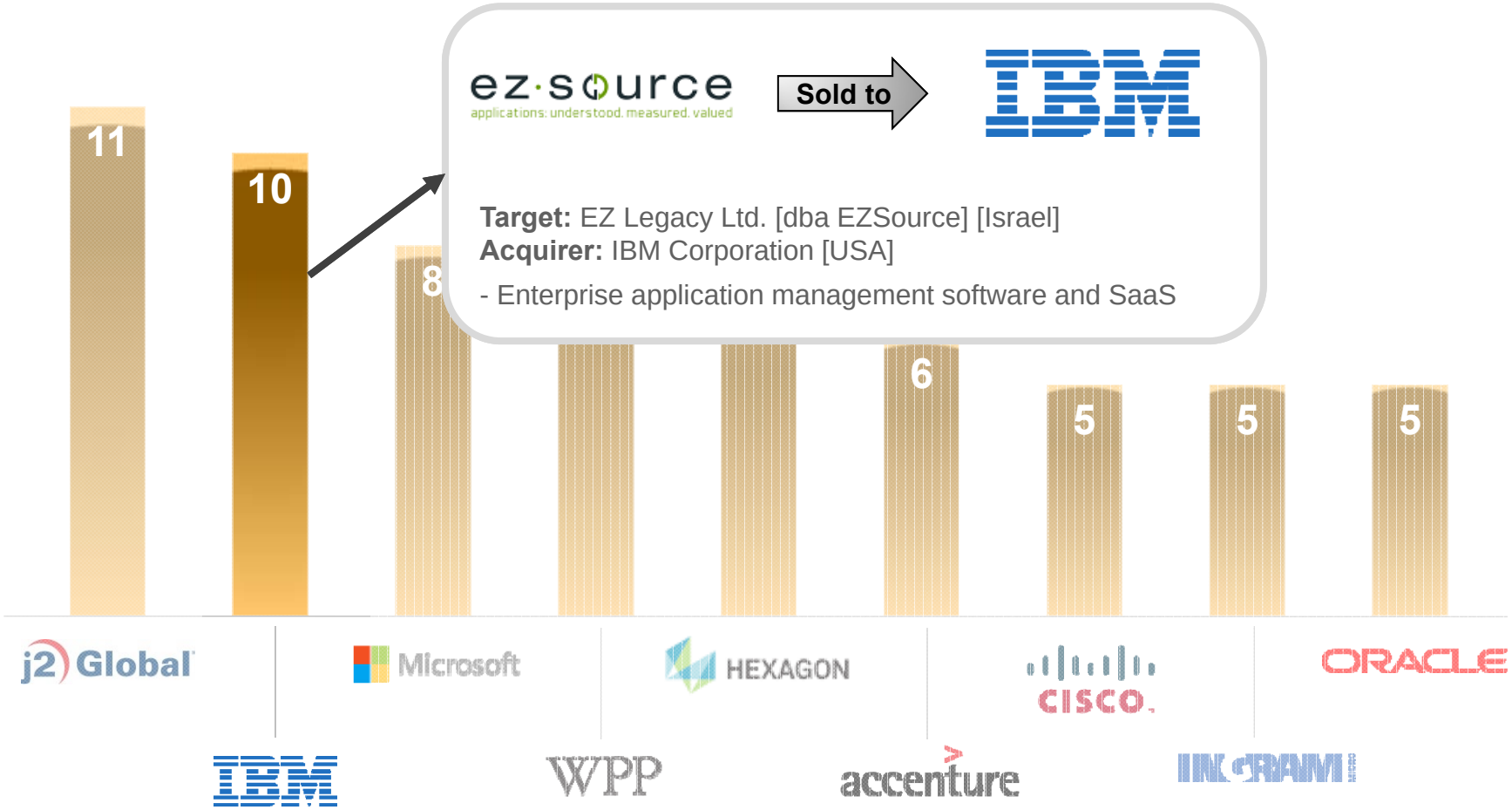
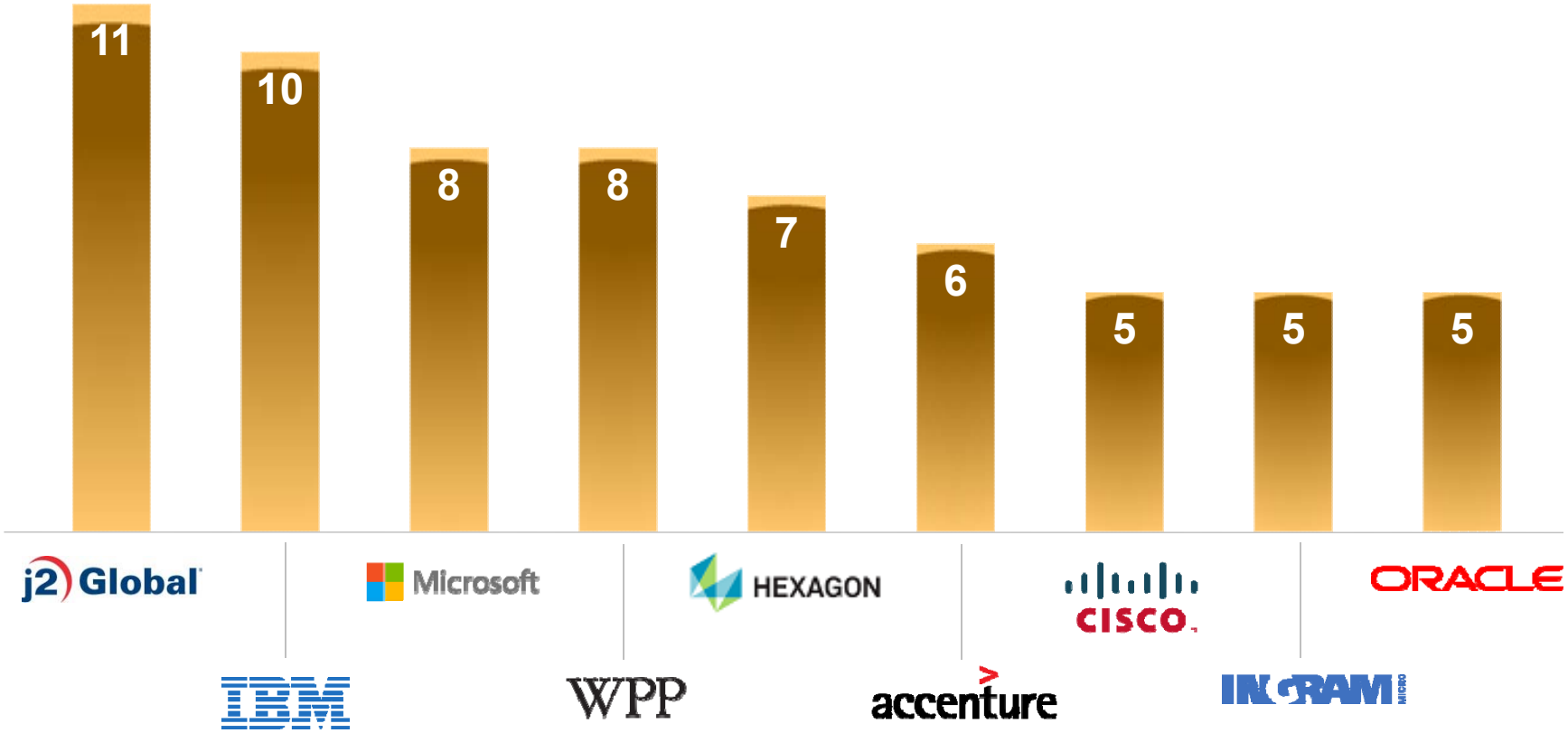
Top Strategic Acquirers – 1H 2016

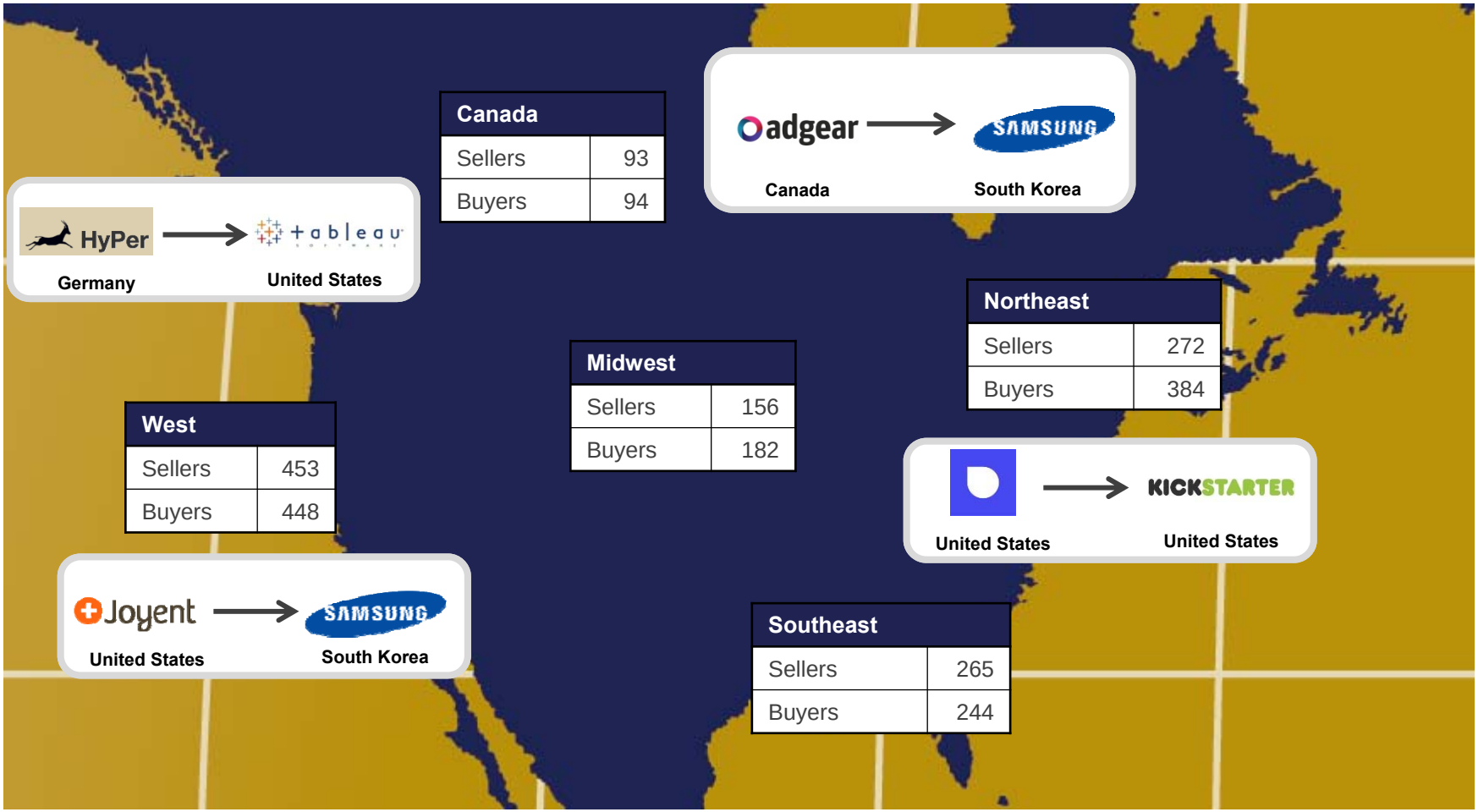


Top Strategic Acquirers – 1H:2016



Europe
Sellers 519
Buyers 440
North America
Sellers 1244
Buyers 1358
Asia
Sellers 231
Buyers 222
Mideast/Africa
Sellers 30
Buyers 24
Latin America
Sellers 16
Buyers 5
CORUM
Source: 451 Research

North American Deals



Source: 451 Research

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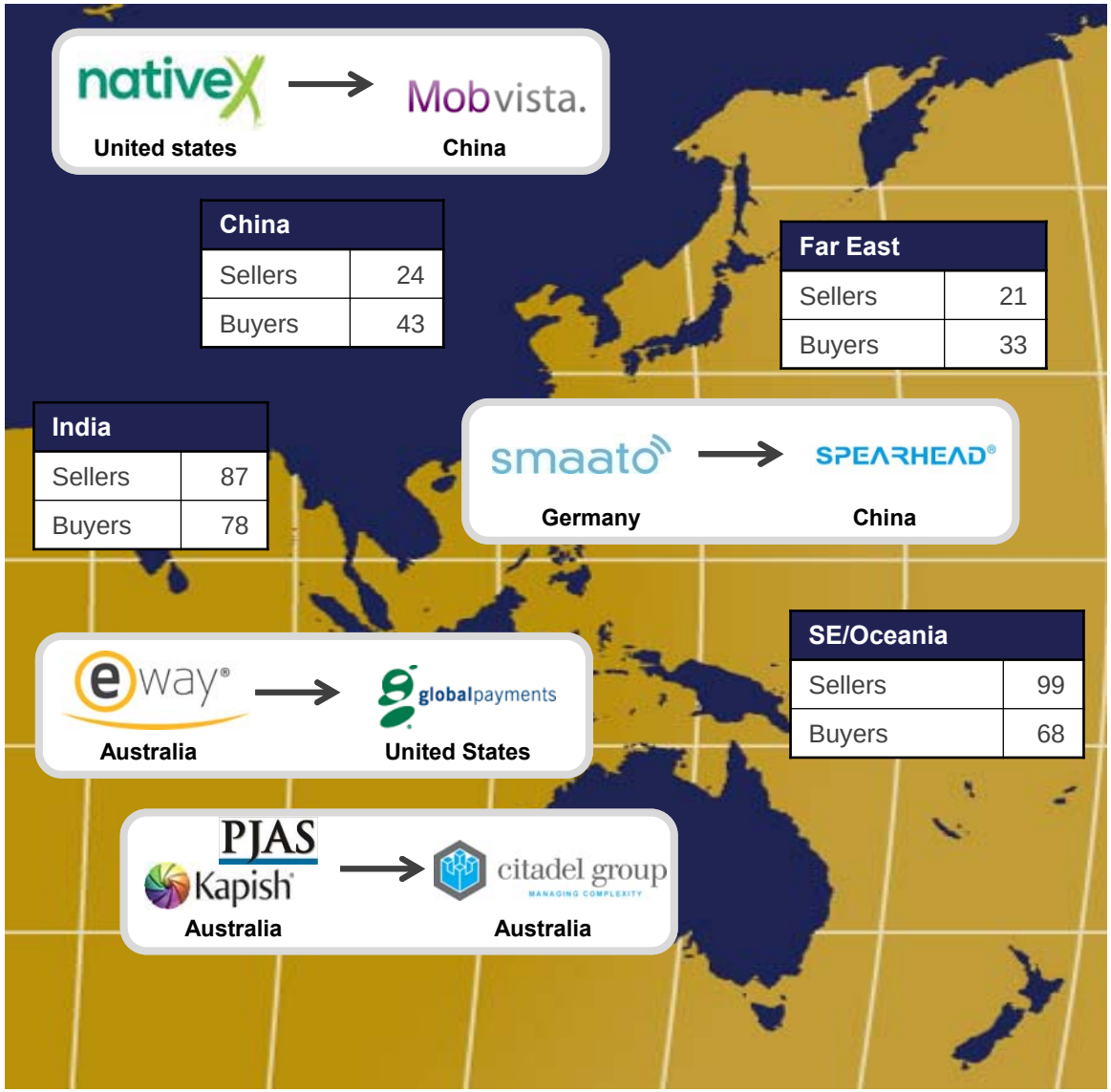
European Deals

Source: 451 Research

CORUM

Asian Deals



Source: 451 Research

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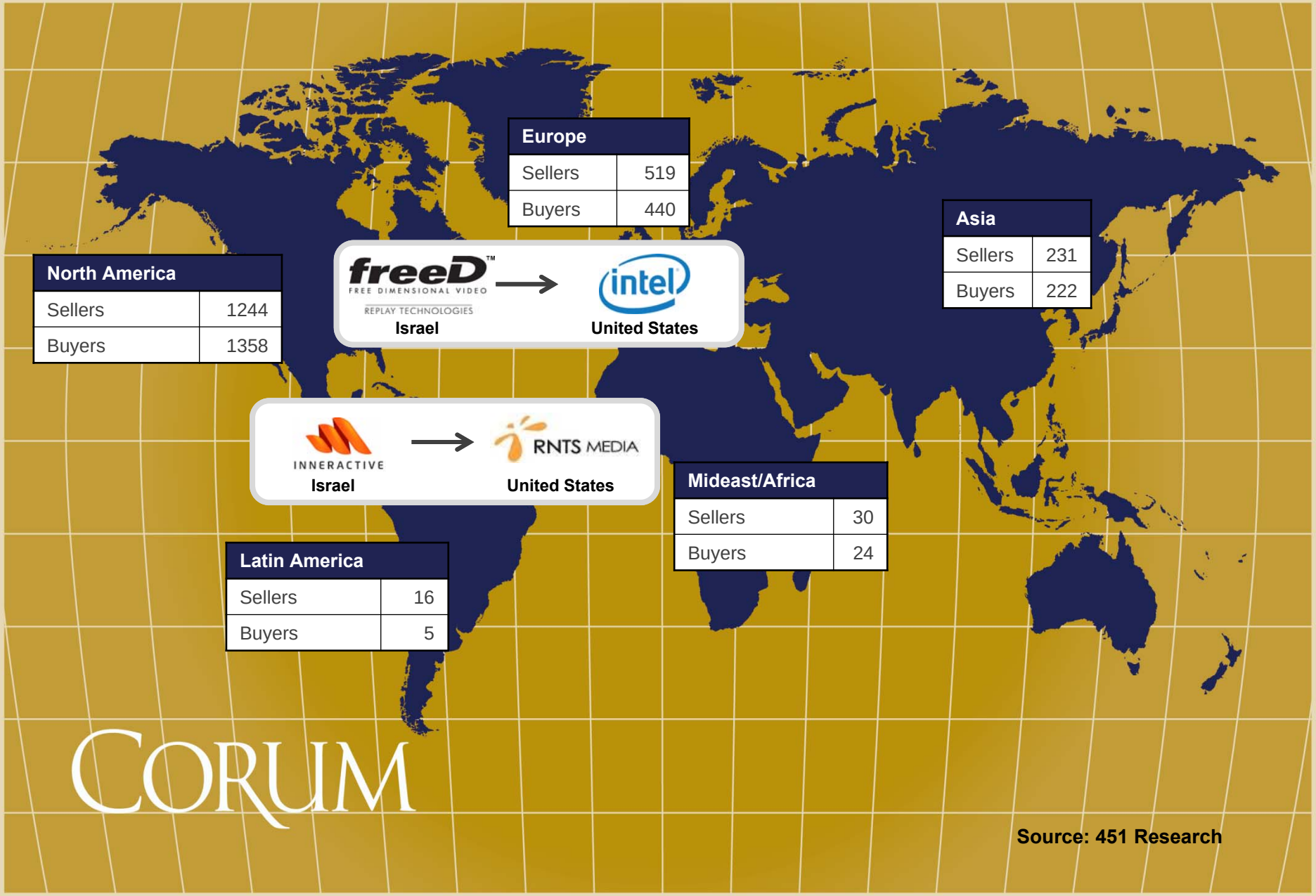
Latin American Deals

Latin America	
Sellers	16
Buyers	5

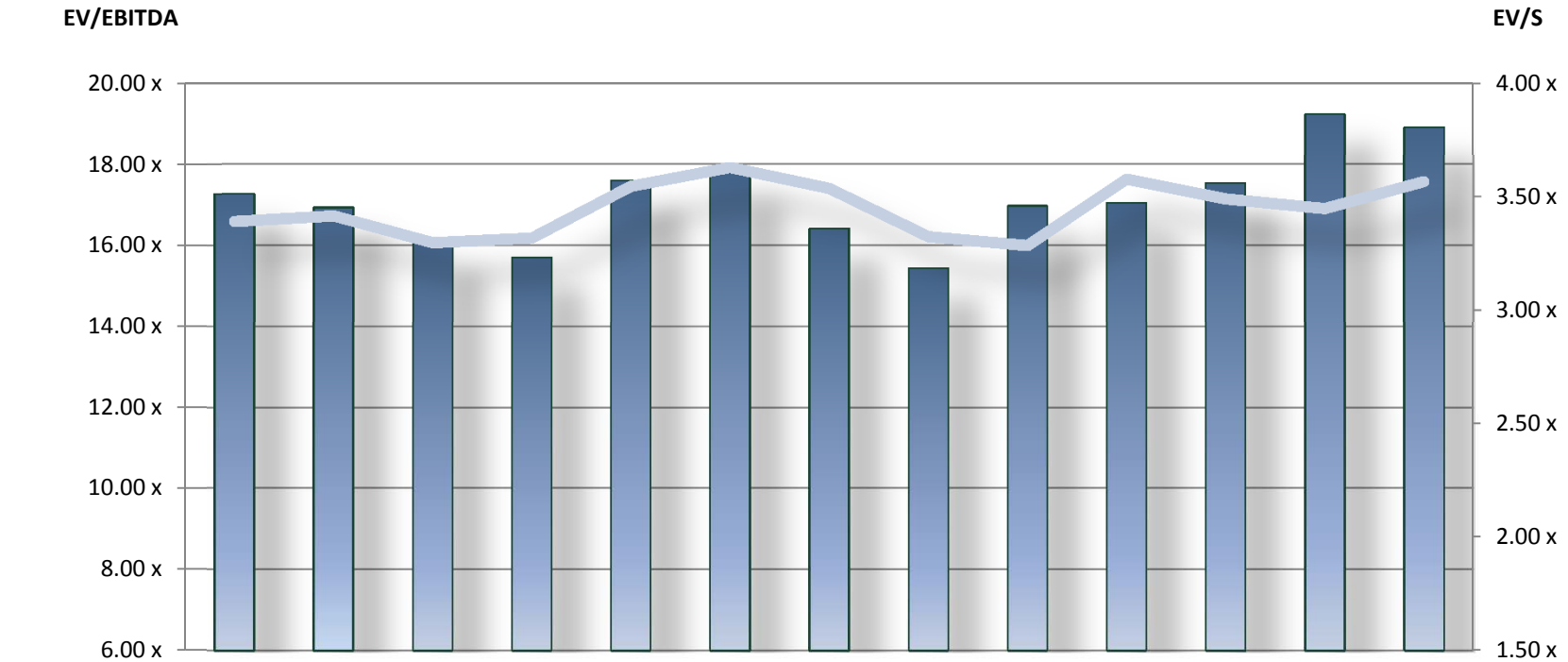
Source: 451 Research

CORUM


Europe
Sellers 519
Buyers 440
North America
Sellers 1244
Buyers 1358
freeD FREE DIMENSIONAL VIDEO REPLAY TECHNOLOGIES
Israel
intel
United States
Asia
Sellers 231
Buyers 222
INNERACTIVE
Israel
RNTS MEDIA
United States
Mideast/Africa
Sellers 30
Buyers 24
Latin America
Sellers 16
Buyers 5
CORUM
Source: 451 Research

Horizontal Application Software Market

Public Valuation Multiples



	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
EV/EBITDA	17.28 x	16.94 x	16.07 x	15.70 x	17.60 x	17.79 x	16.42 x	15.45 x	16.98 x	17.06 x	17.55 x	19.25 x	18.93 x
EV/S	3.39 x	3.42 x	3.30 x	3.32 x	3.55 x	3.63 x	3.54 x	3.32 x	3.29 x	3.58 x	3.49 x	3.45 x	3.57 x

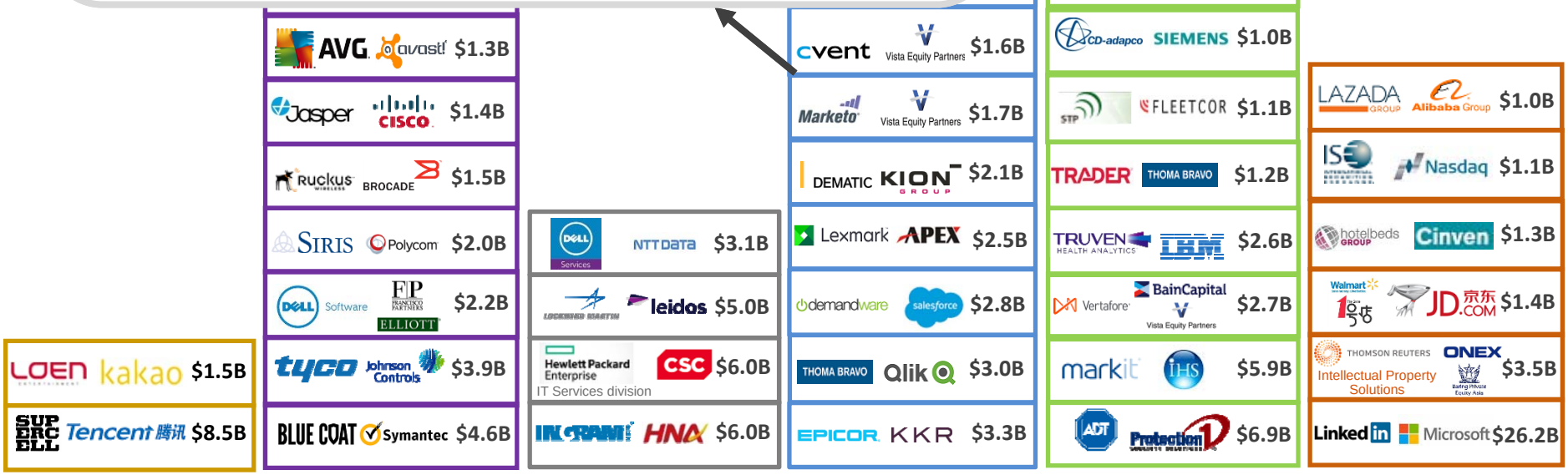
Horizontal Application Software Valuations

Subsector	Sales	EBITDA	Examples
Business Intelligence	3.40x	14.71x	MicroStrategy, NICE, tableau
Marketing & Ad Tech	1.90x	18.84x	AllianceData, acxiom, amdocs
CRM	1.74x	14.13x	CONVERGYS, LIVEPERSON, salesforce
ERP	3.00x	19.74x	NETSUITE, ORACLE, SAP
Human Resources	6.41x	29.31x	ADP, PAYCHEX, workday
SCM	7.04x	22.69x	aspentech, DESCARTES, Manhattan Associates
Payments	3.93x	16.12x	ACI UNIVERSAL PAYMENTS, PayPal, pay
Other	3.29x	20.64x	NUANCE, OPENTEXT, Trimble

Mega Deals - 2016 YTD

Marketo Sold to Vista Equity Partners

Target: Marketo [USA]
Acquirer: Vista Equity Partners [USA]
Transaction Value: $1.7B (7.9x EV/S)



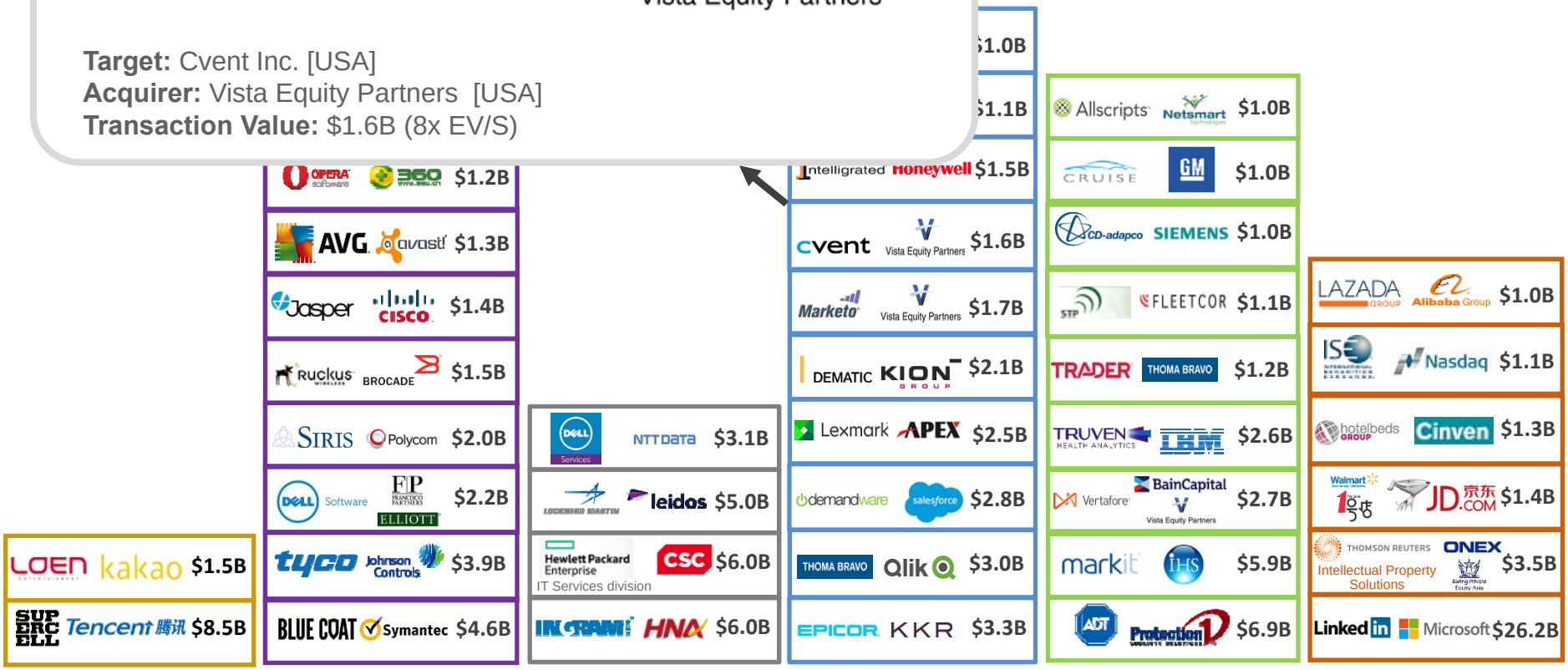
CONSUMER	INFRASTRUCTURE	IT SERVICES	HORIZONTAL	VERTICAL	INTERNET
$10B	$19B	$20B	$21B	$23B	$35B

CORUM

Mega Deals - 2016 YTD

cvent **Sold to** Vista Equity Partners

Target: Cvent Inc. [USA]
Acquirer: Vista Equity Partners [USA]
Transaction Value: $1.6B (8x EV/S)



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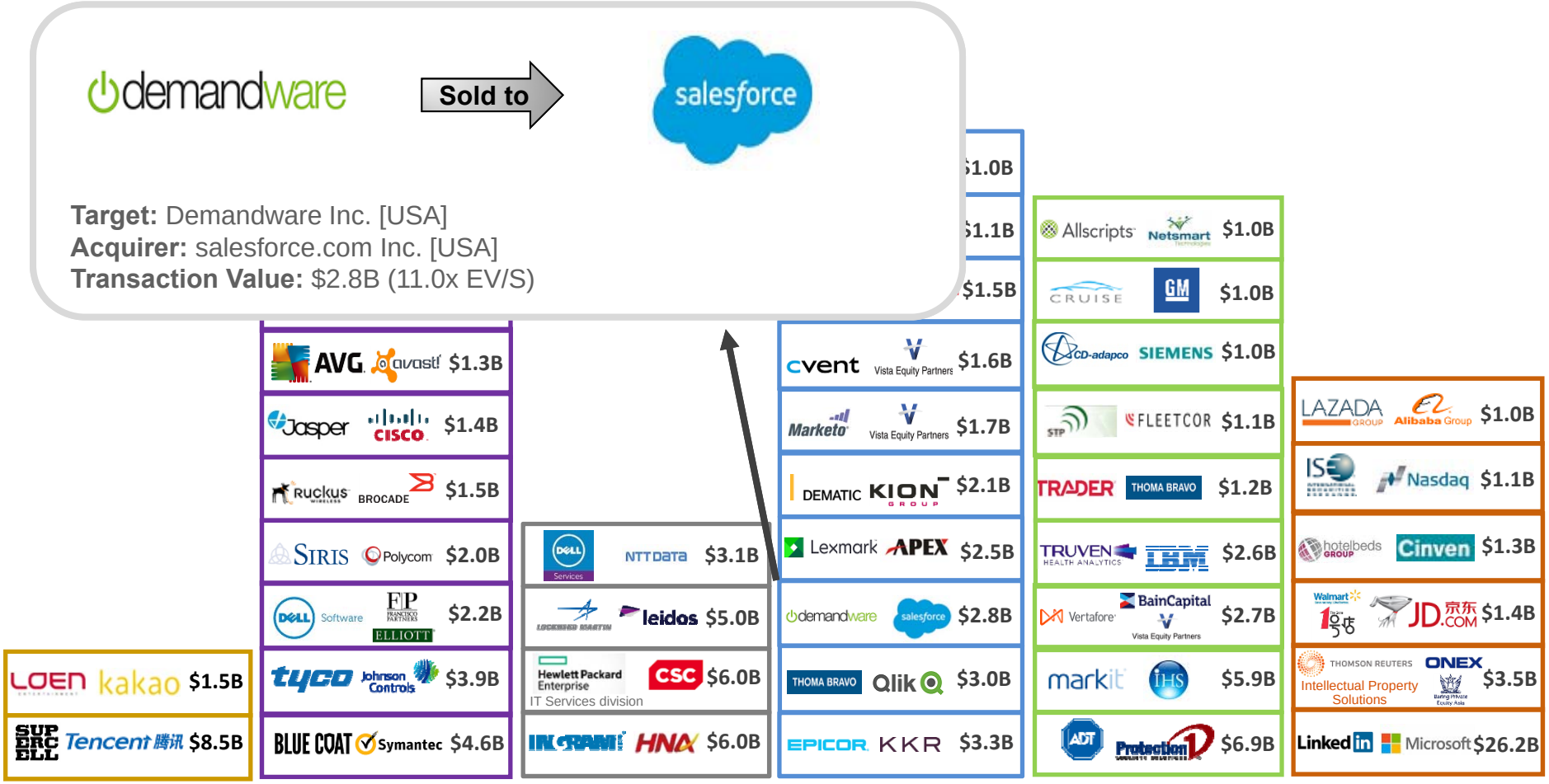
Mega Deals - 2016 YTD

demandware **Sold to** salesforce

Target: Demandware Inc. [USA]
Acquirer: salesforce.com Inc. [USA]
Transaction Value: $2.8B (11.0x EV/S)



$10B **$19B** **$20B** **$21B** **$23B** **$35B**

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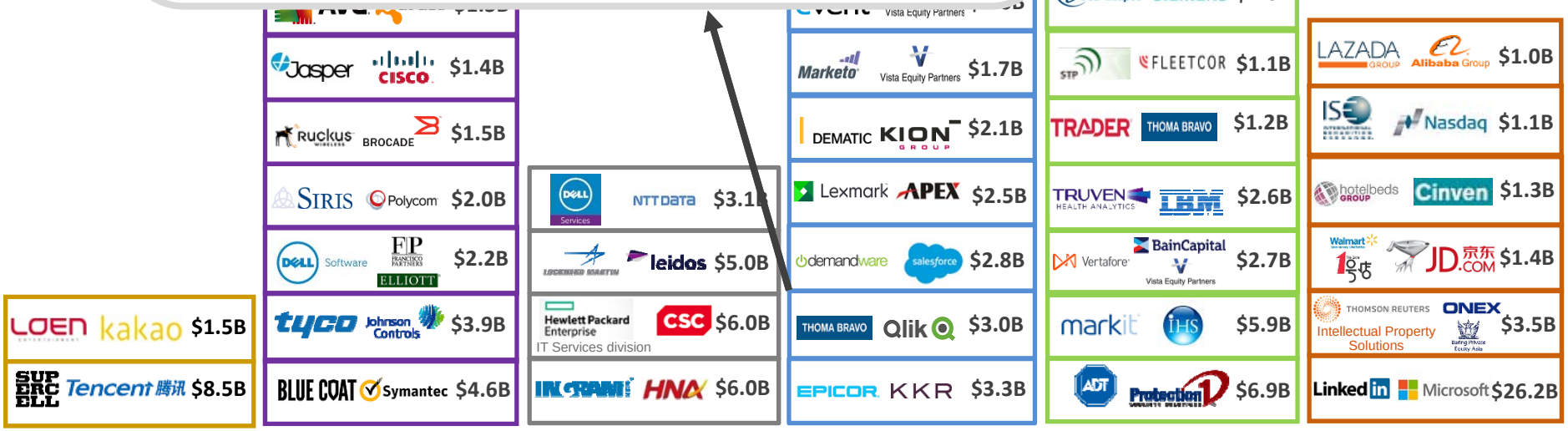
Mega Deals - 2016 YTD

Qlik **Sold to** THOMA BRAVO

Target: Qlik Technologies Inc. [USA]
Acquirer: Thoma Bravo LLC [USA]
Transaction Value: $3.0B (4.2x EV/S and 686.9x EV/EBITDA)



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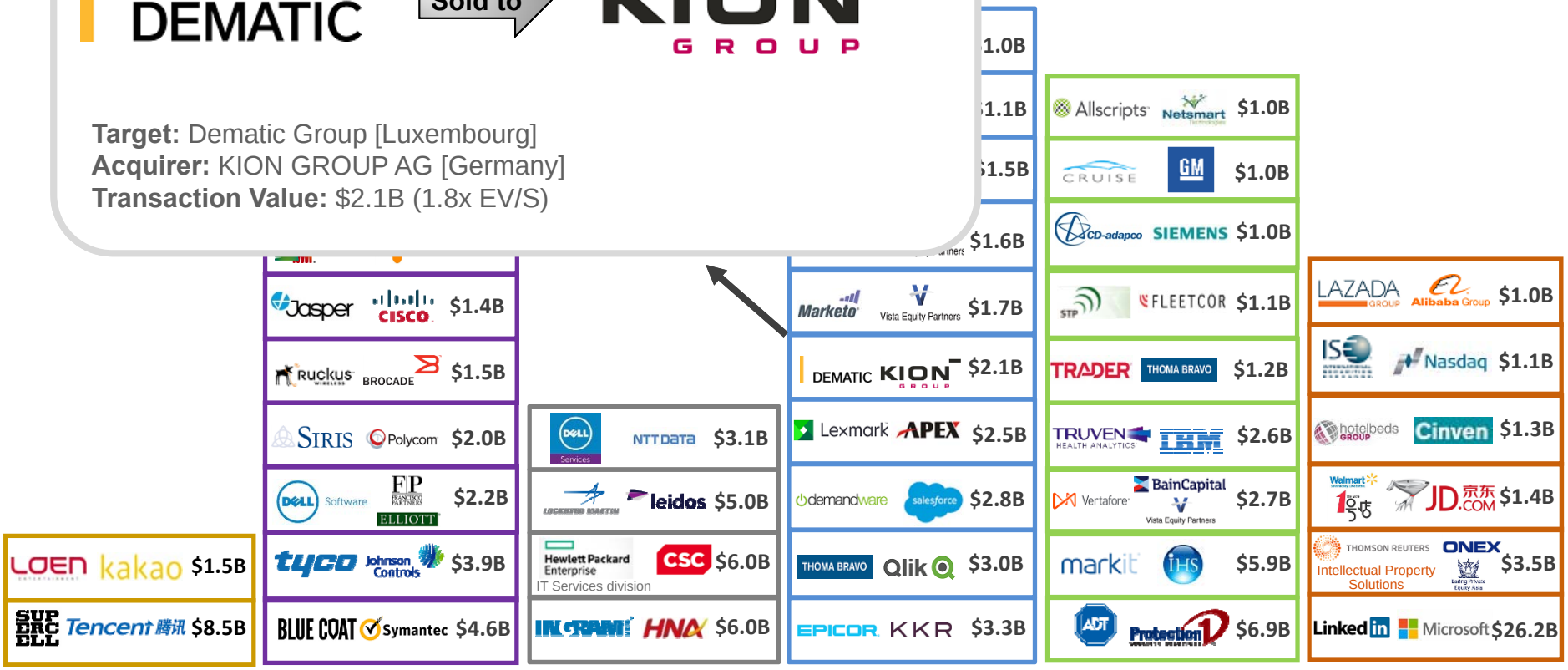
Mega Deals - 2016 YTD

DEMATIC Sold to **KION GROUP**

Target: Dematic Group [Luxembourg]
Acquirer: KION GROUP AG [Germany]
Transaction Value: $2.1B (1.8x EV/S)



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Horizontal Application Software Market

Deal Spotlights: Customer Analytics

PREDICTIX Sold to infor

Target: Predictix LLC [USA]
Acquirer: Infor Global Solutions [USA]
Transaction Value: $125M

- Retail predictive analytics SaaS

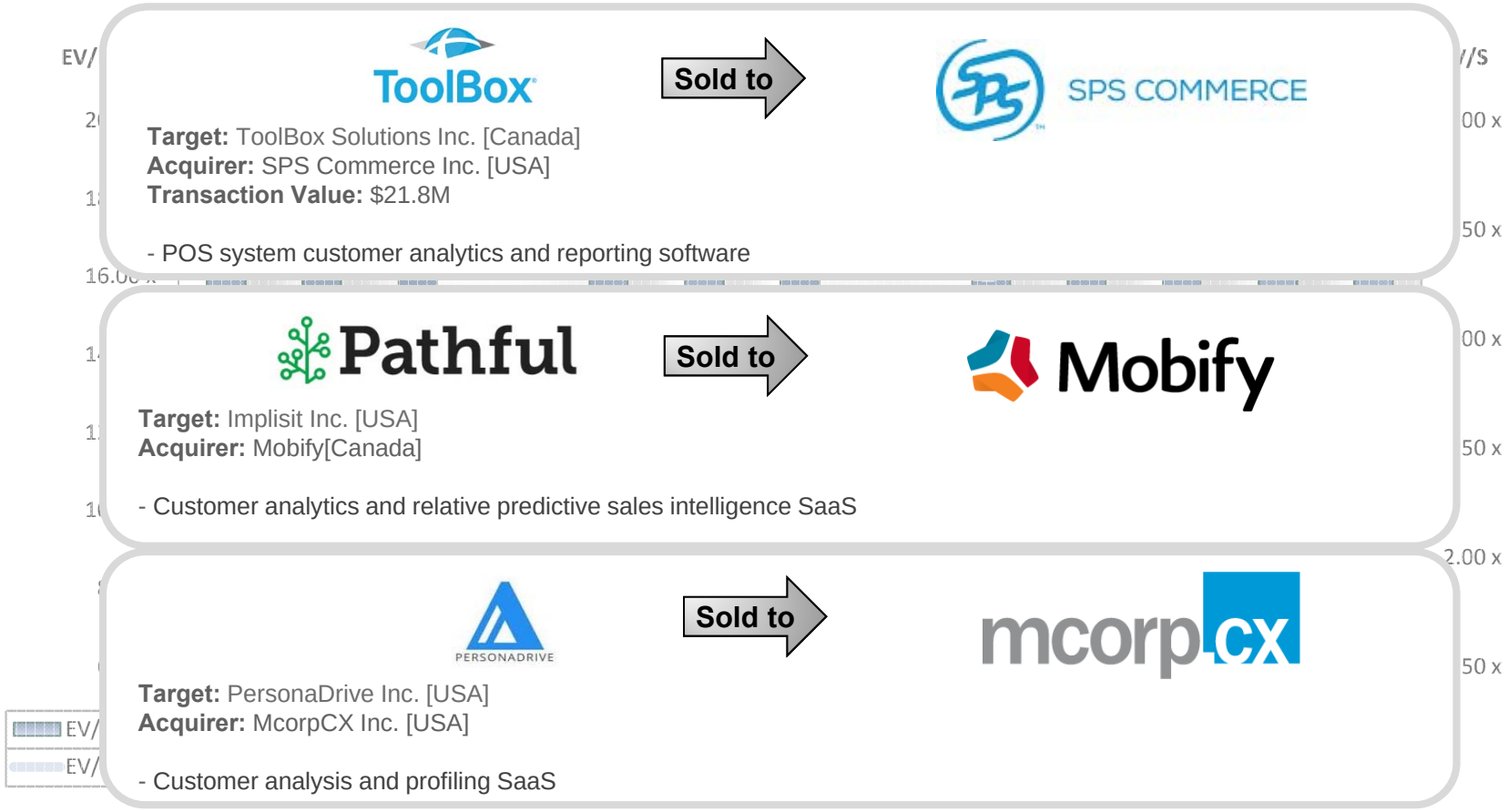
implisit Sold to salesforce

Target: Implisit Inc. [USA]
Acquirer: salesforce.com Inc. [USA]

- Customer analytics and relative predictive sales intelligence SaaS

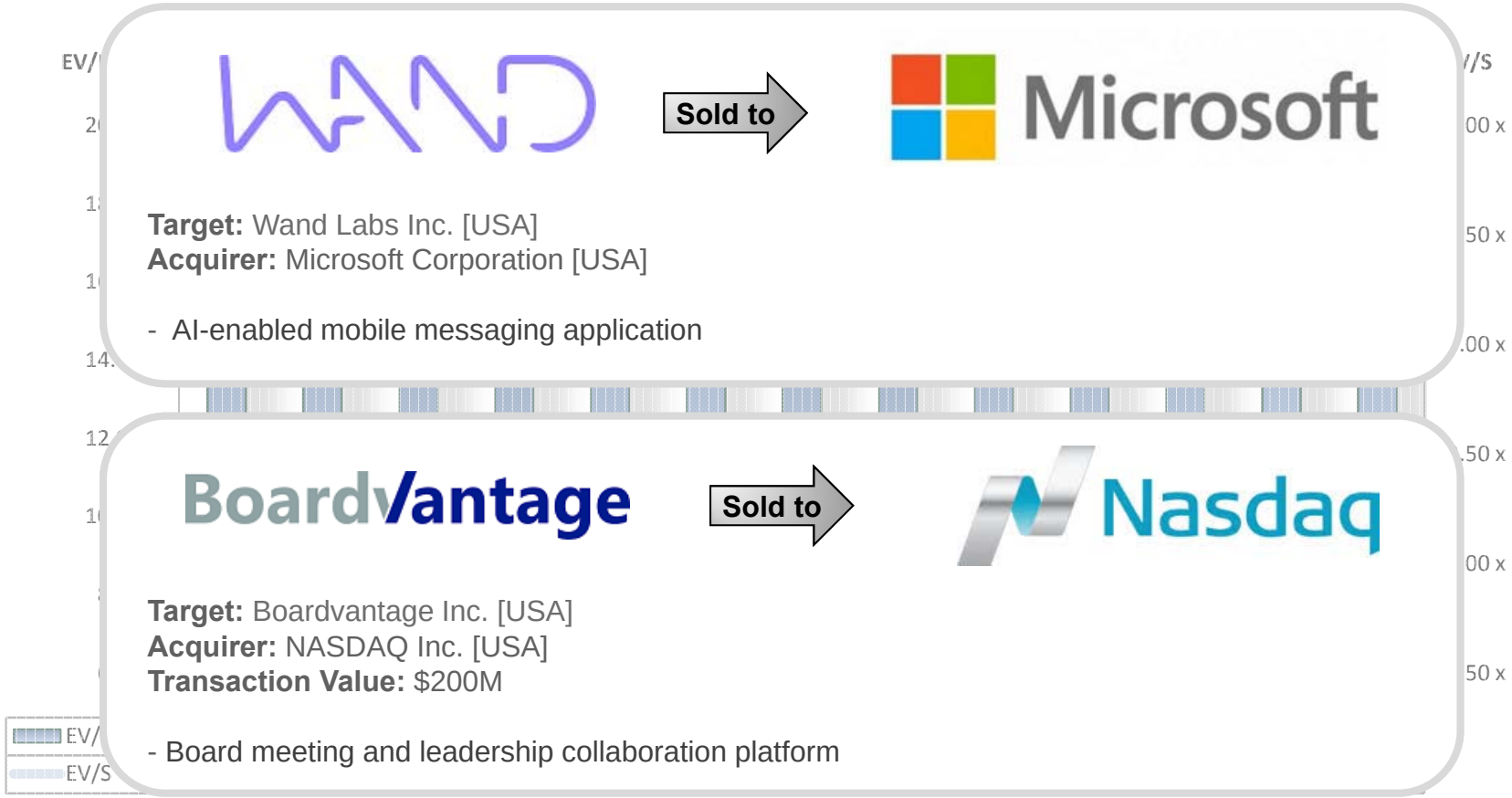
Horizontal Application Software Market

Deal Spotlights: Customer Analytics



Horizontal Application Software Market

Deal Spotlights: Collaboration Tools



Horizontal Application Software Market

Deal Spotlights: Artificial Intelligence

Lingospot **Sold to** piksel

Target: Lingospot Inc. [Canada]
Acquirer: Piksel Inc. [USA]

- AI-enabled search and recommendation engine optimization software

EXPERTMAKER **Sold to** ebay

Target: Expertmaker [USA]
Acquirer: eBay Inc. [USA]

- AI-enabled search and recommendation engine optimization software

SPIKENET TECHNOLOGY **Sold to** brainchip

Target: Spikenet Technology SARL [France]
Acquirer: BrainChip Inc. [USA]
Transaction Value: $1.5M

- AI-based computer vision software

Horizontal Application Software Market

Deal Spotlight: AdTech

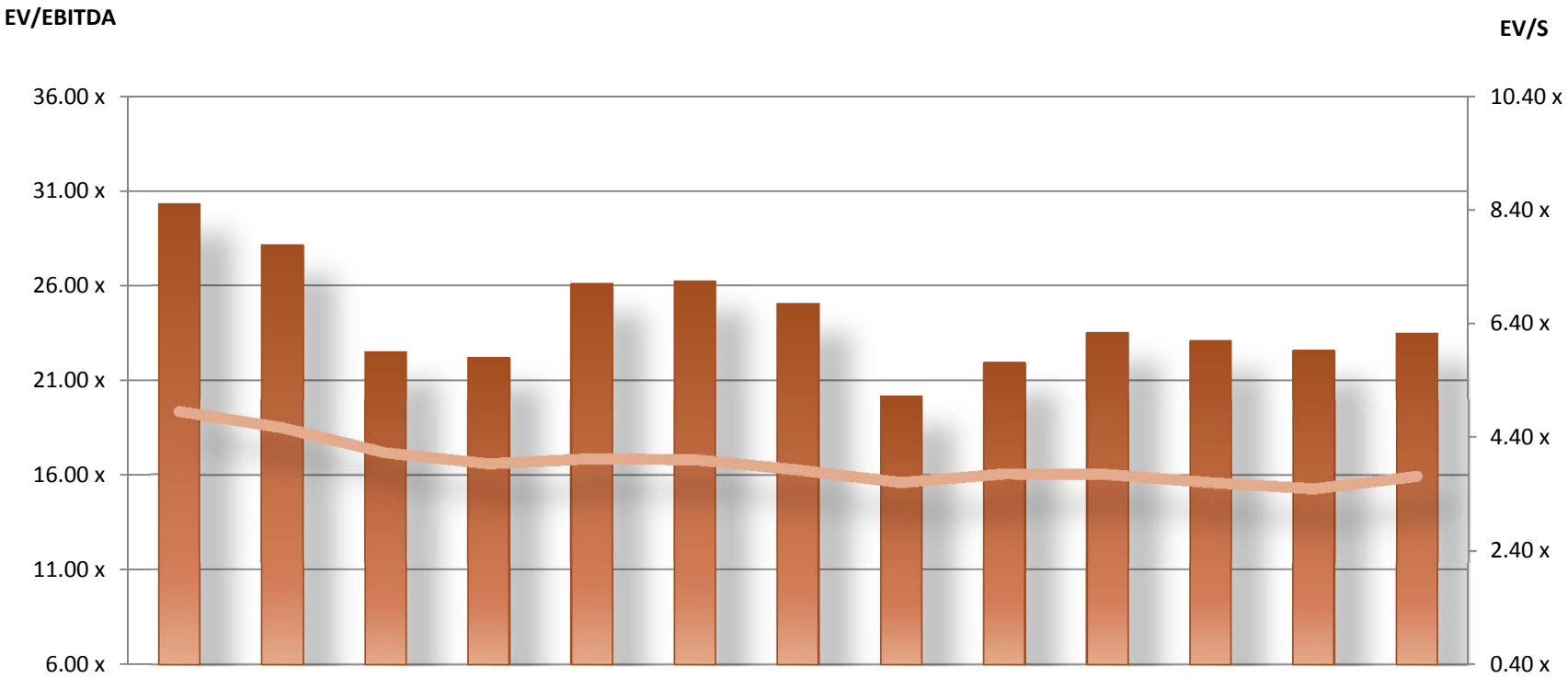
URX → Sold to → Pinterest

Target: AdLast Inc. [dba URX] [USA]
Acquirer: Pinterest Inc. [USA]

- Mobile app inventory monetization service
- Helps Pinterest focus on content intelligence and discovery
- Reinforces Pinterest's position in mobile advertising

Internet Market

Public Valuation Multiples



	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
EV/EBITDA	30.32 x	28.14 x	22.49 x	22.21 x	26.11 x	26.23 x	25.04 x	20.17 x	21.93 x	23.52 x	23.08 x	22.58 x	23.49 x
EV/S	4.85 x	4.57 x	4.13 x	3.93 x	4.03 x	4.01 x	3.83 x	3.60 x	3.76 x	3.75 x	3.60 x	3.50 x	3.71 x

Internet Valuations

Subsector	Sales	EBITDA	Examples
Diversified Internet	5.30x	20.79x	Alphabet, Baidu 百度, Tencent 腾讯
eCommerce	0.92x	36.62x	ebay, JD.COM 京东, zalando
Social Network	5.88x	32.46x	LinkedIn, twitter
Travel & Leisure	5.60x	22.08x	JUST EAT, Expedia, priceline.com

Internet Market

Deal Spotlights: eCommerce

kitbag

Sold to

Fanatics

Target: Kitbag [United Kingdom]
Acquirer: Fantatics [USA]
Transaction Value: $17M

- Online shopping website that provides instant insider access to top designer labels

GILT GROUPE

Sold to

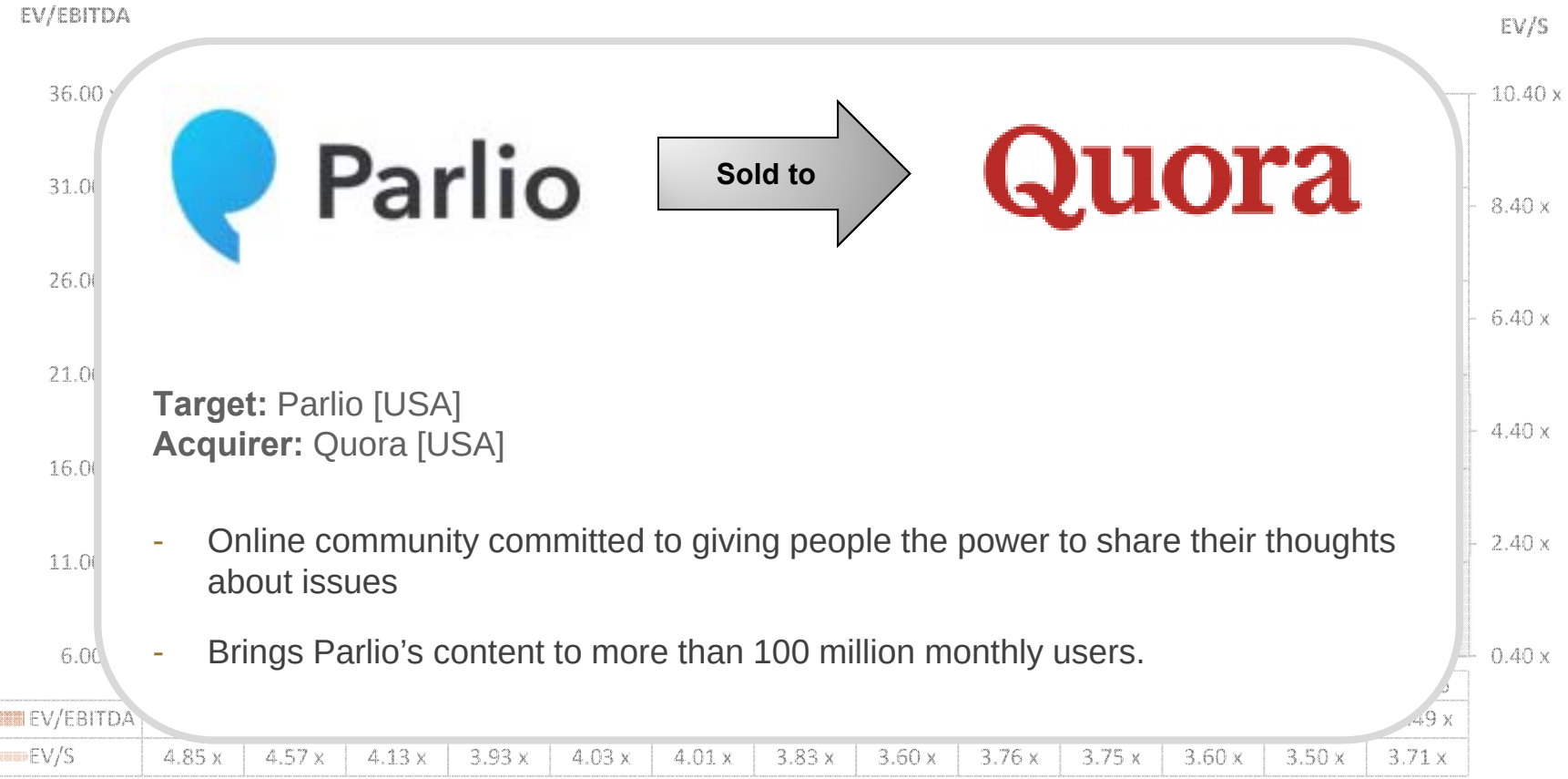
HUDSON'S BAY CO.

Target: Gilt Groupe [USA]
Acquirer: Hudsons Bay Company [Canada]
Transaction Value: $250M

- Online shopping website that provides instant insider access to top designer labels

Internet Market

Deal Spotlight: Social Network



Target: Parlio [USA]
Acquirer: Quora [USA]

- Online community committed to giving people the power to share their thoughts about issues
- Brings Parlio's content to more than 100 million monthly users.

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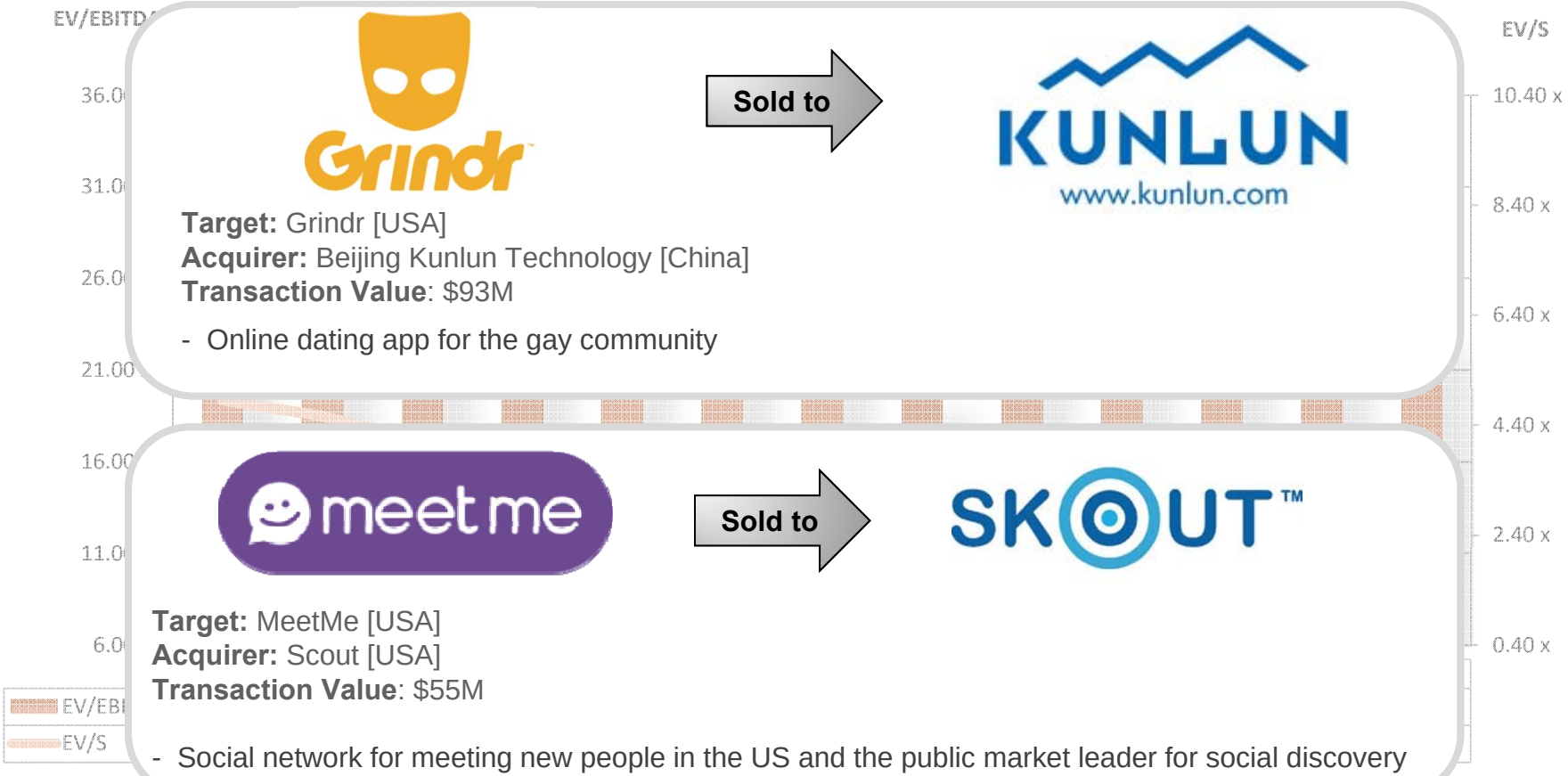
Internet Market

Deal Spotlights: Online Dating



Grindr → Sold to → KUNLUN www.kunlun.com

Target: Grindr [USA]
Acquirer: Beijing Kunlun Technology [China]
Transaction Value: $93M

- Online dating app for the gay community

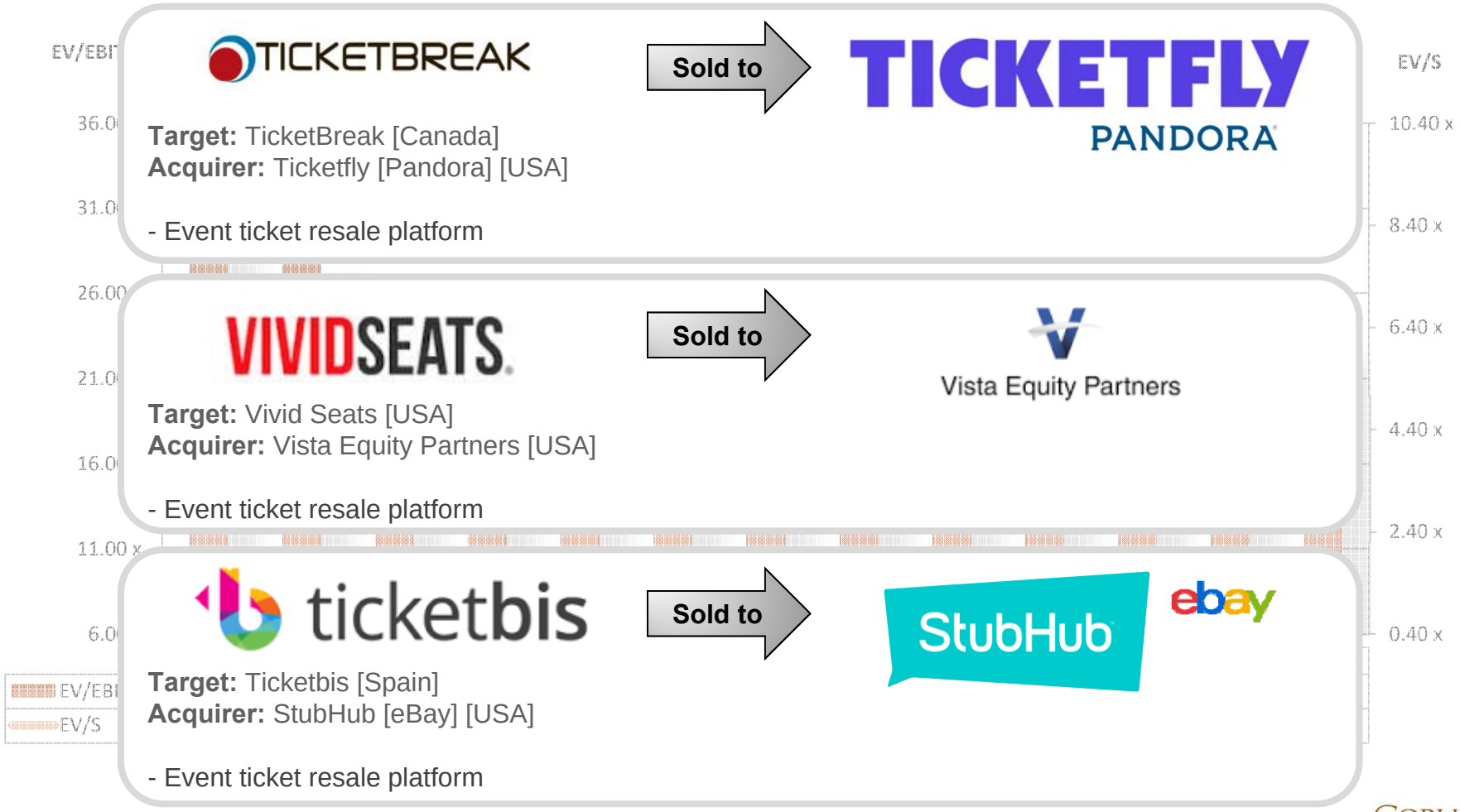
meetme → Sold to → SKOUT™

Target: MeetMe [USA]
Acquirer: Scout [USA]
Transaction Value: $55M

- Social network for meeting new people in the US and the public market leader for social discovery

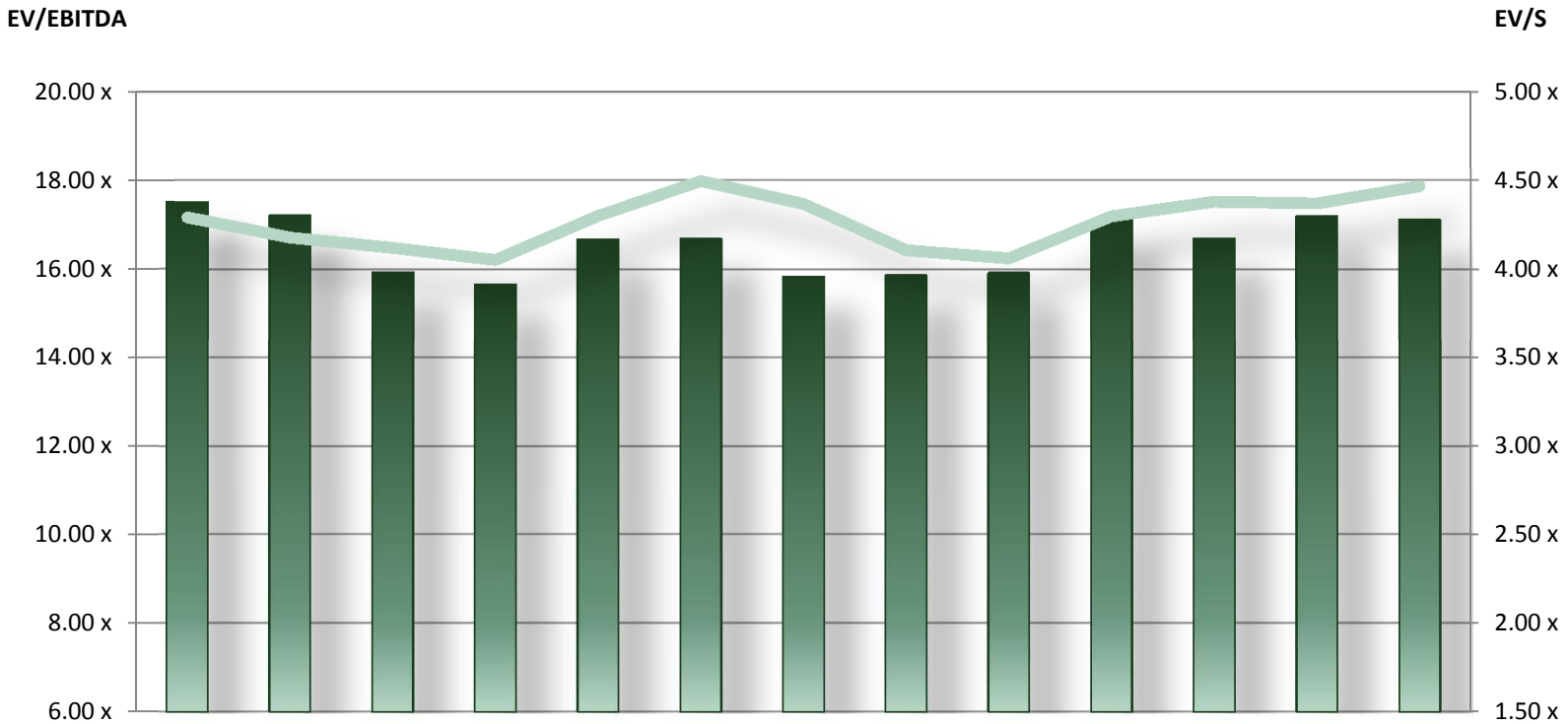
Internet Market

Deal Spotlights: Ticketing



Vertical Application Software Market

Public Valuation Multiples



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EV/S	4.29 x	4.18 x	4.12 x	4.05 x	4.30 x	4.50 x	4.37 x	4.11 x	4.06 x	4.30 x	4.38 x	4.37 x	4.47 x

Vertical Application Software Valuations

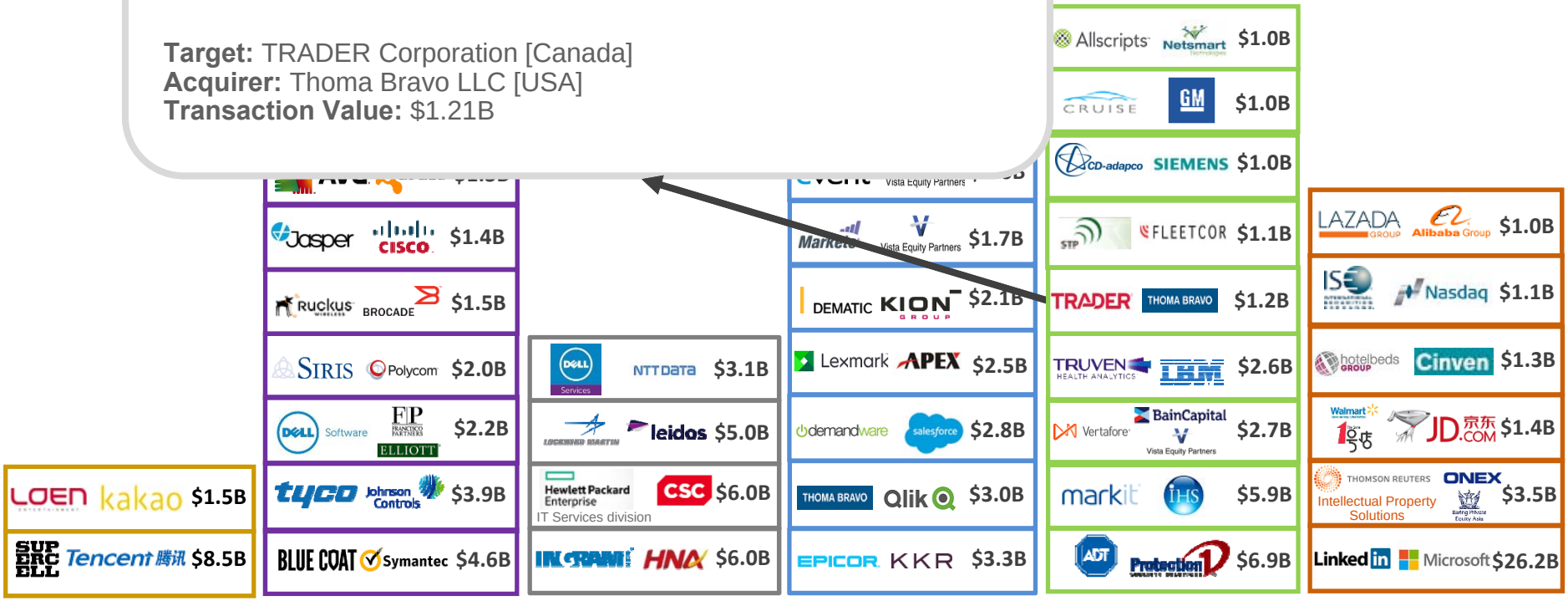
Subsector	Sales	EBITDA	Examples
A/E/C	4.80x	18.37x	AUTODESK. · DASSAULT SYSTEMES · SYNOPSYS
Automotive	4.53x	22.75x	Autotrader · BitAuto 易车 · CDK Global
Energy & Environment	4.08x	15.33x	IHS · Itron · Schlumberger
Financial Services	5.27x	17.44x	Broadridge · FIS · fiserv.
Government	1.87x	12.90x	Northrop Grumman · Raytheon · tyler technologies
Healthcare	5.12x	18.65x	Allscripts · Cerner · imshealth
Real Estate	6.75x	24.20x	CoreLogic · CoStar Group · Zillow
Vertical Other	3.76x	12.71x	AMADEUS · Rockwell Automation · Sabre

CORUM

Mega Deals - 2016 YTD

TRADER **Sold to** THOMA BRAVO

Target: TRADER Corporation [Canada]
Acquirer: Thoma Bravo LLC [USA]
Transaction Value: $1.21B



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Vertical Application Software Market

Deal Spotlights: Automotive

lytx → Sold to → GTCR

Target: Lytx Inc. [USA]
Acquirer: GTCR LLC [USA]
Transaction Value: $500M

- Provides in-vehicle driver behavior video recording systems
- Lytx plans to expand into the video telematics

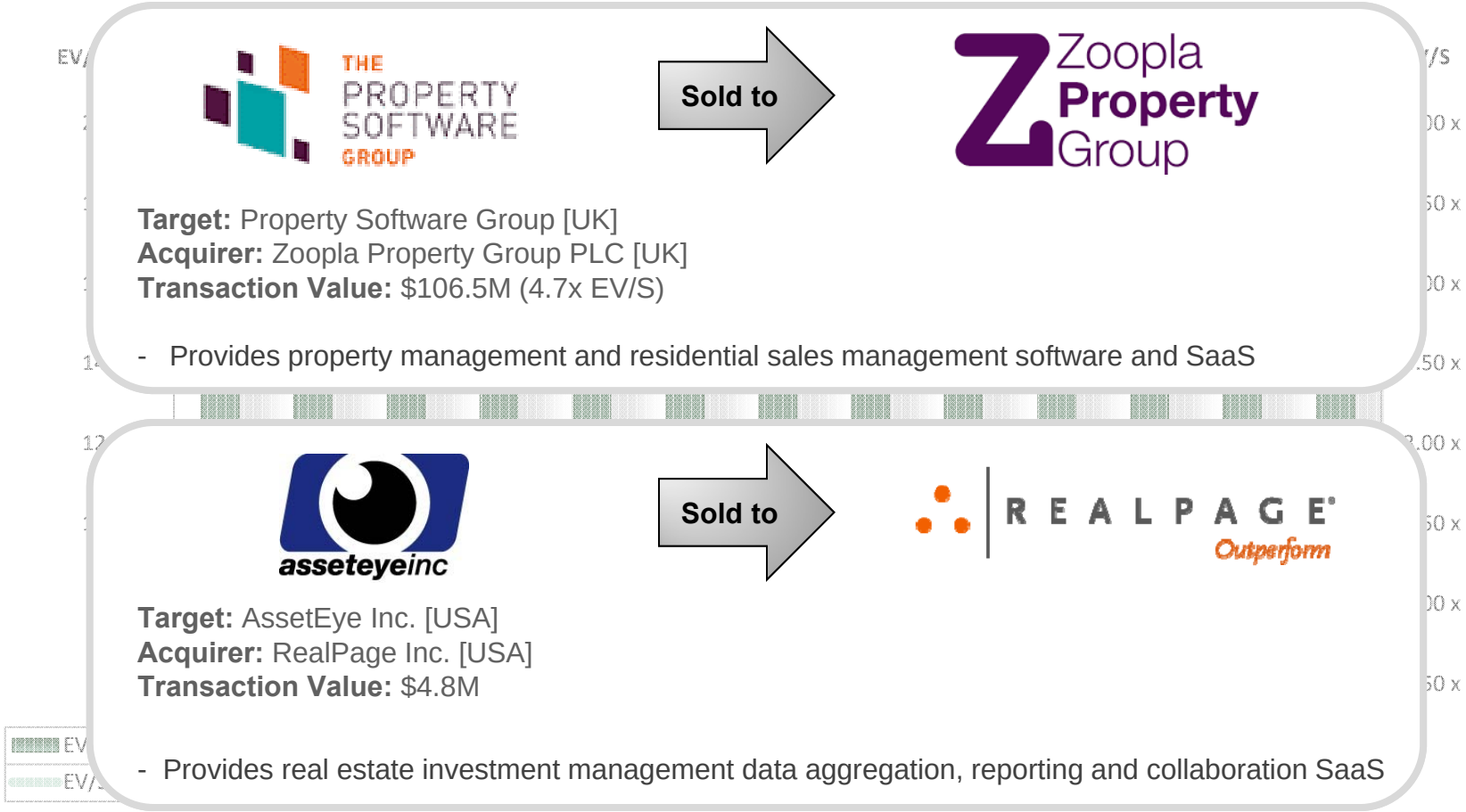
Telogis → Sold to → verizon

Target: Telogis Inc. [USA]
Acquirer: Verizon Communications Inc. [USA]
Transaction Value: $900M (6.9x EV/S)

- GPS-based fleet tracking, driver monitoring, route mapping and mobile navigation SaaS
- With the acquisition Verizon gets into Connected car space to compete with rival AT&T

Vertical Application Software Market

Deal Spotlights: Real Estate



Vertical Application Software Market

Deal Spotlight: Financial Services

4SIGHT FINANCIAL SOFTWARE

Sold to

Broadridge®

Target: 4sight Financial Software Limited UK]
Acquirer: Broadridge Financial Solutions Inc.[USA]

- Front and back office securities lending and borrowing software
- Builds on Broadridge's collateral management solutions
- Adds 4sight's customer base across 16 countries

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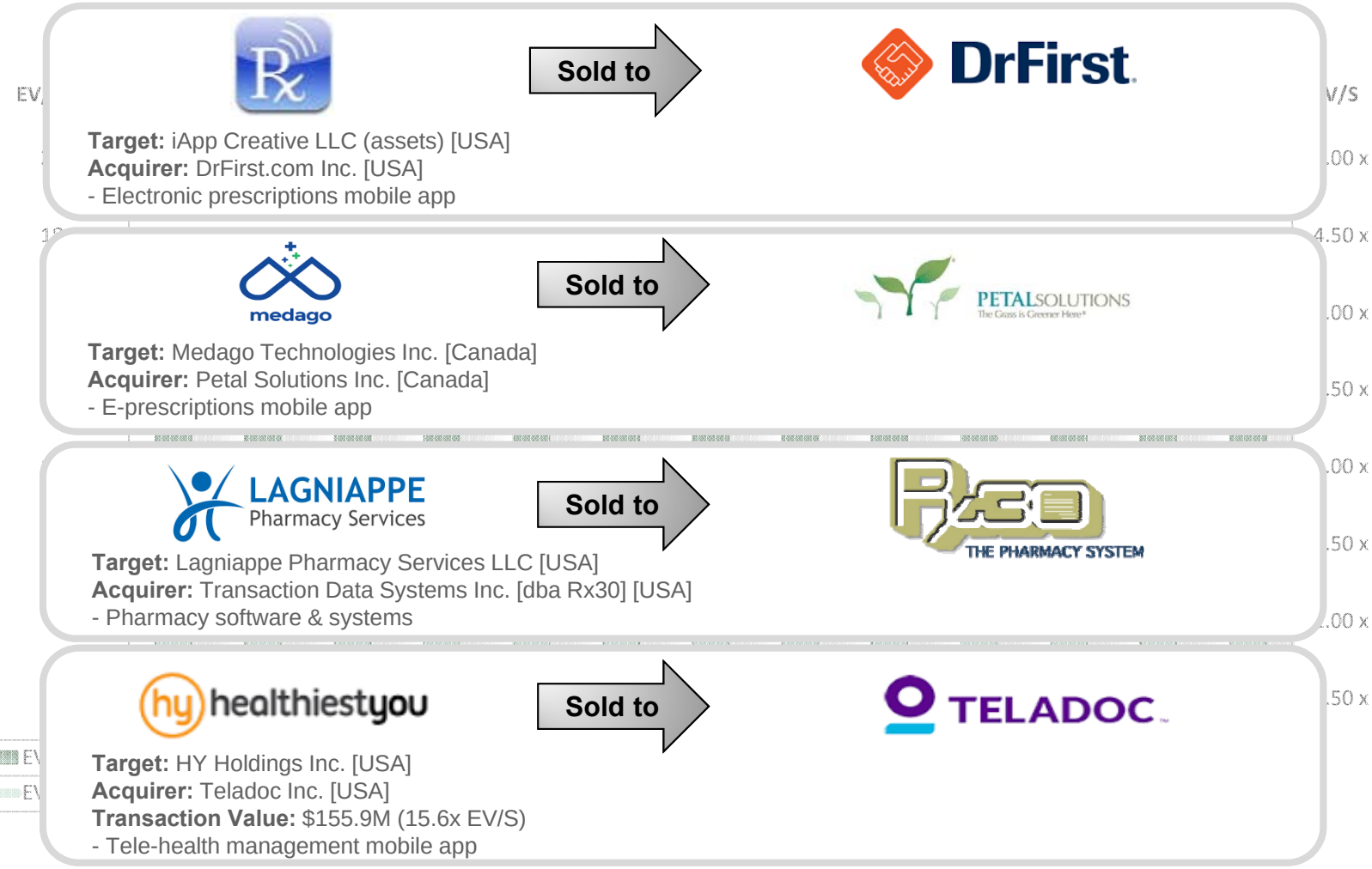
Vertical Application Software Market

Deal Spotlights: Healthcare



Vertical Application Software Market

Deal Spotlights: Energy & Environment

EV/EBITDA

EV/S

5.00 x

4.50 x

4.00 x

3.50 x

3.00 x

2.50 x

2.00 x

1.50 x

PROLIPHIX **Sold to** YARDI

Target: Proliphix [USA]
Acquirer: Yardi Systems Inc. [USA]
Transaction Value: $150M (15.6x EV/S)

- Smart thermostats & energy management systems

DaintreeNetworks **Sold to** current

Target: Daintree Networks Inc. [USA]
Acquirer: Current [General Electric Company] [USA]
Transaction Value: reported at $77M

- Daintree provides smart energy efficiency systems, including wireless thermostats; partners with Philips, LG
- With its first purchase GE-backed Current starts to build its ecosystem and boost networking capabilities around lighting

Vertical Application Software Market

Deal Spotlight: A/E/C

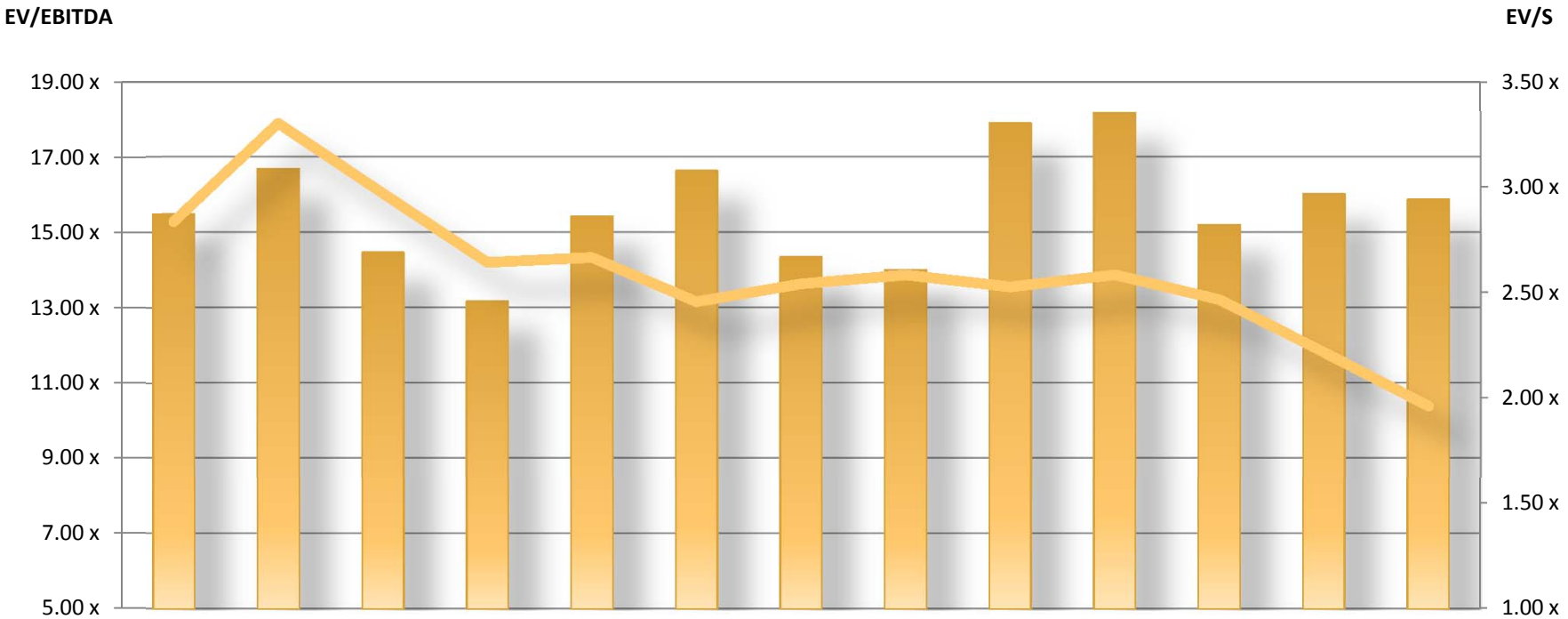
Sold to

Target: CONJECT Holding GmbH [Germany]
Acquirer: Aconex Ltd. [Australia]
Transaction Value: $71.8M (2.7x EV/S, 89.6 EV/EBITDA)

- Construction project management SaaS
- Reinforces Aconex's strategic focus on network growth, product breadth and scale expansion

Consumer Application Software Market

Public Valuation Multiples



	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
EV/EBITDA	15.50 x	16.69 x	14.47 x	13.17 x	15.43 x	16.64 x	14.35 x	14.00 x	17.90 x	18.18 x	15.21 x	16.03 x	15.89 x
EV/S	2.84 x	3.30 x	2.97 x	2.64 x	2.67 x	2.46 x	2.54 x	2.58 x	2.53 x	2.58 x	2.47 x	2.22 x	1.96 x

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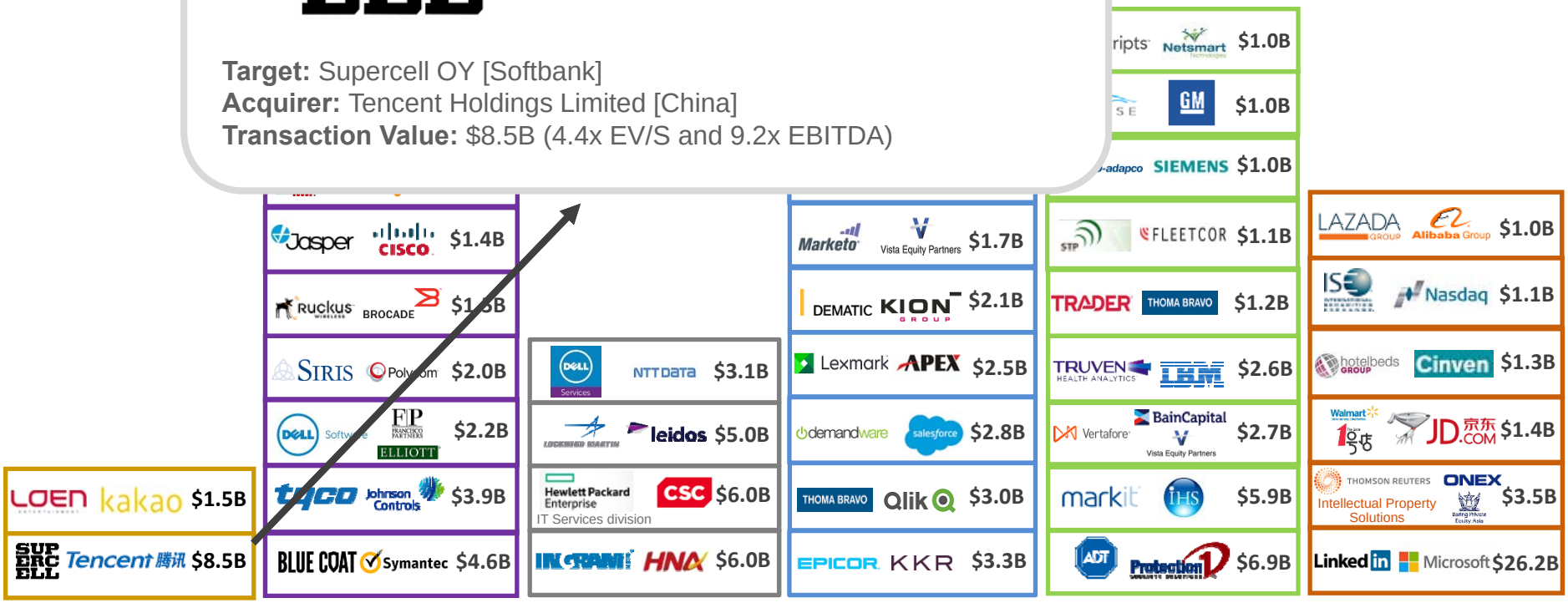
Consumer Application Software Valuations

Subsector	Sales	EBITDA	Examples
Casual Gaming	2.16x	17.52x	King, Nintendo, zynga
Core Gaming	1.73x	9.10x	Activision, EA, Ubisoft
Other	1.57x	53.24x	GoPro, Netflix, Pandora

Mega Deals - 2016 YTD

Sold to

Target: Supercell OY [Softbank]
Acquirer: Tencent Holdings Limited [China]
Transaction Value: $8.5B (4.4x EV/S and 9.2x EBITDA)



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China tightens mobile games regulations

中华人民共和国国家新闻出版广电总局
State Administration of Press,Publication,Radio,Film and Television of The People's Republic of China

- July 1: Pre-approval required to publish
- Oct. 1: Existing games apply or face shutdown
- Applies to significant fresh versions and updates like they were new games
- Cost of application high & likely to rise

"We want to open the window a crack to get some fresh air, but we still need a screen to block the flies and mosquitoes."

- Cai Wu, Head of Chinese Ministry of Culture

Consumer Application Software Market

Deal Spotlight: Gaming

Consumer Application Software Market

Deal Spotlights: Gaming

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Consumer Application Software Market

Deal Spotlights: Connected Health

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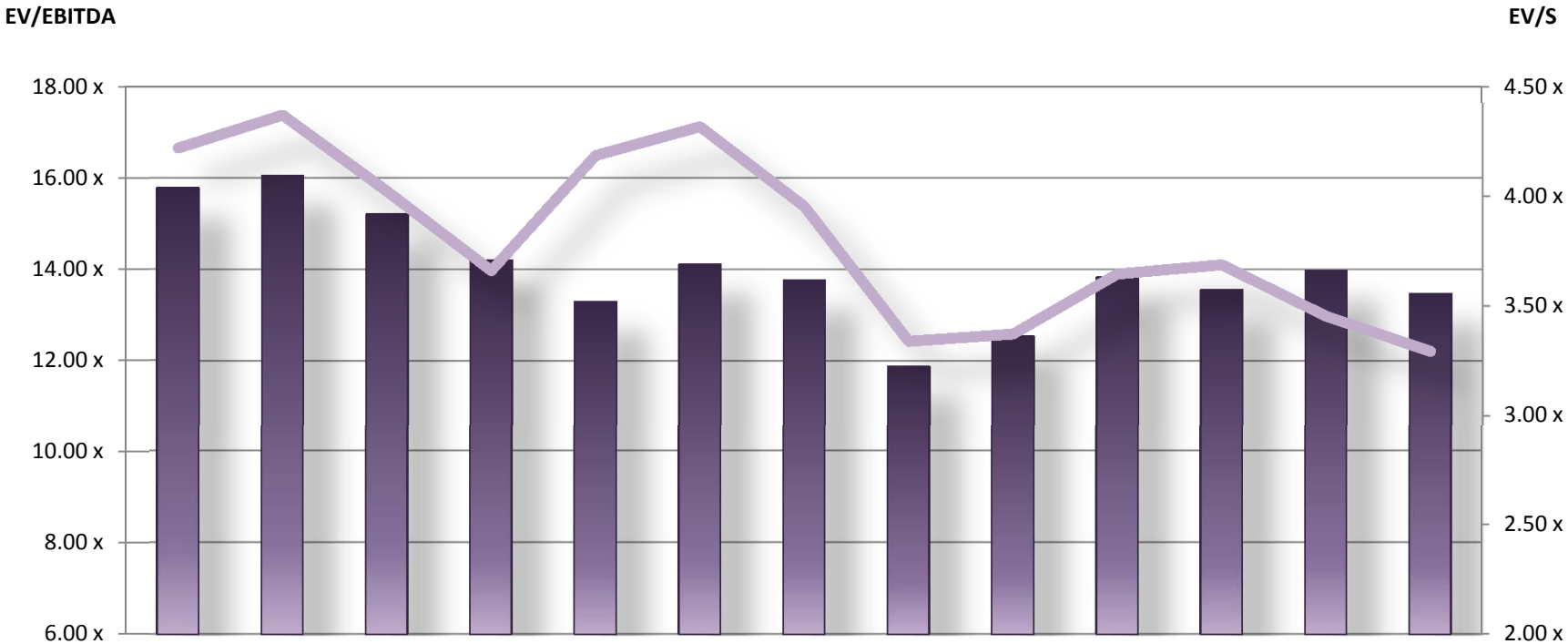
Infrastructure Software Market

Public Valuation Multiples



	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
EV/EBITDA	15.79 x	16.06 x	15.21 x	14.22 x	13.30 x	14.12 x	13.78 x	11.88 x	12.54 x	13.84 x	13.56 x	13.99 x	13.48 x
EV/S	4.22 x	4.37 x	4.02 x	3.66 x	4.19 x	4.32 x	3.96 x	3.34 x	3.37 x	3.65 x	3.69 x	3.45 x	3.30 x

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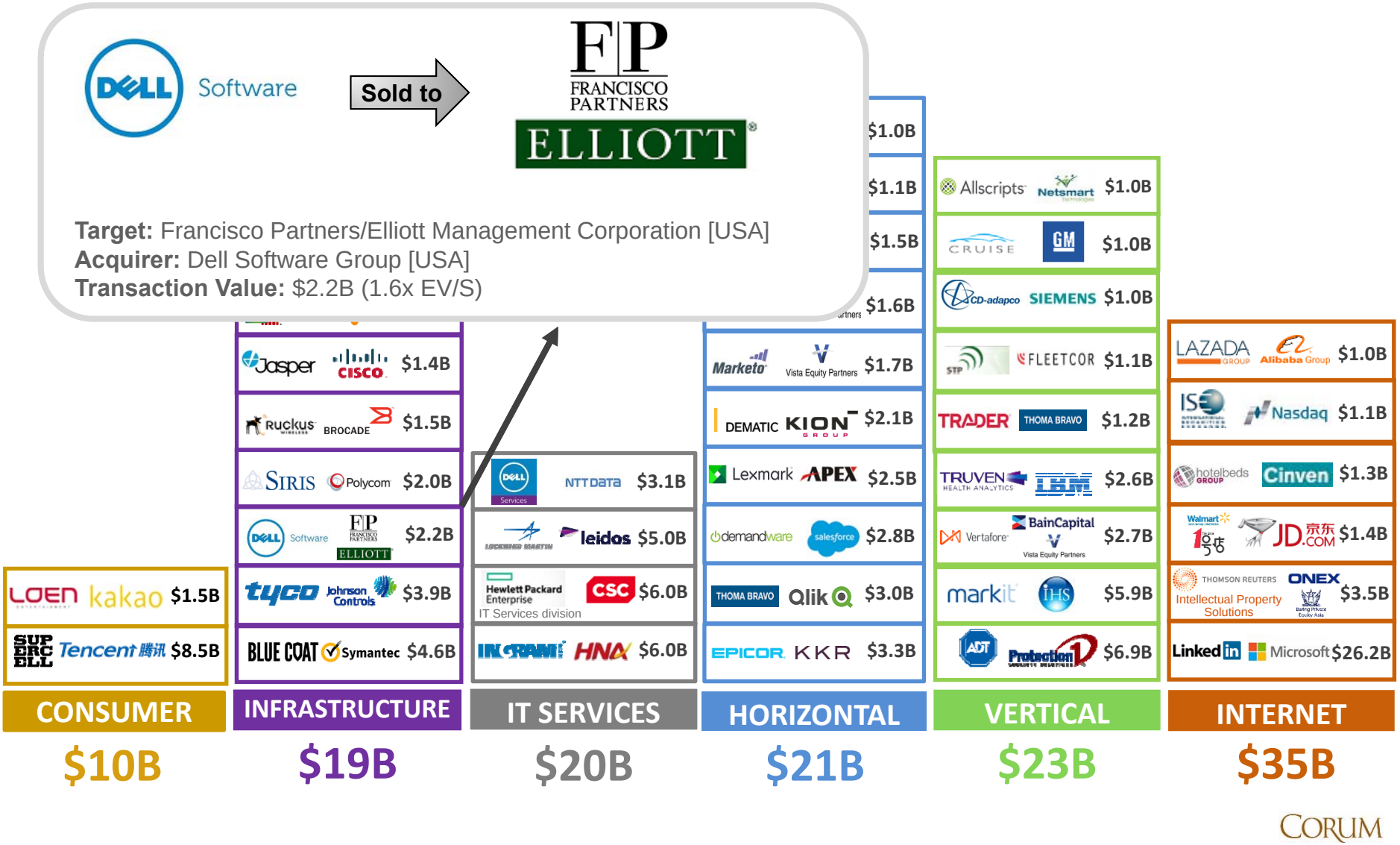
Infrastructure Software Market

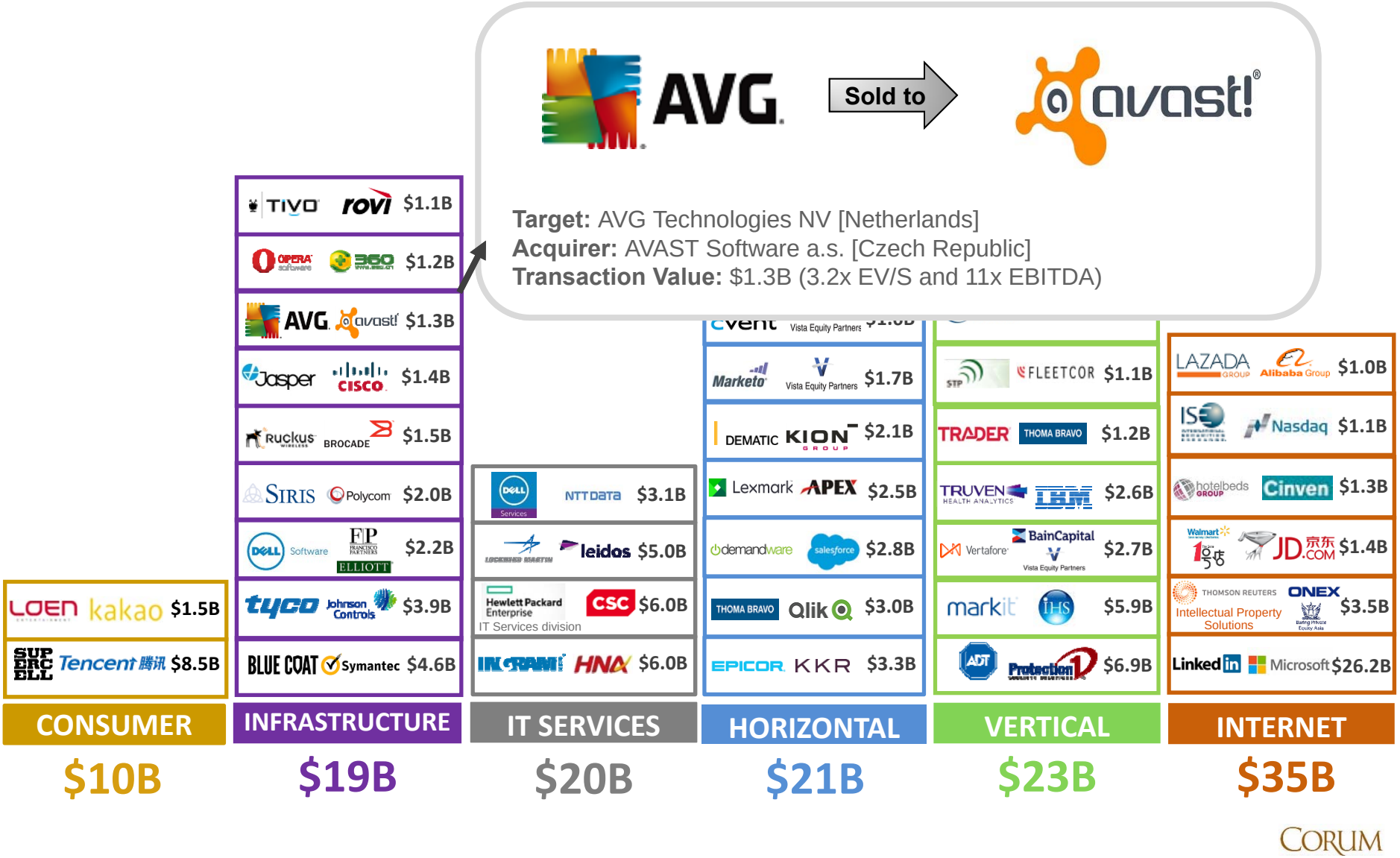
Subsector	Sales	EBITDA	Examples
Endpoint	3.19x	15.19x	CITRIX, OPERA software, vmware
IT Services Management	4.54x	29.23x	ca technologies, redhat., servicenow
Network Management	2.21x	12.87x	ARISTA, CISCO, JUNIPER NETWORKS
Security	3.73x	13.95x	360 www.360.cn, Check Point SOFTWARE TECHNOLOGIES LTD., gemalto security to be free
Storage & Hosting	2.56x	6.79x	BROCADE, NetApp, rackspace
Other	4.65x	13.38x	Atlassian, PROGRESS, New Relic.

Mega Deals - 2016 YTD



CORUM

Mega Deals - 2016 YTD



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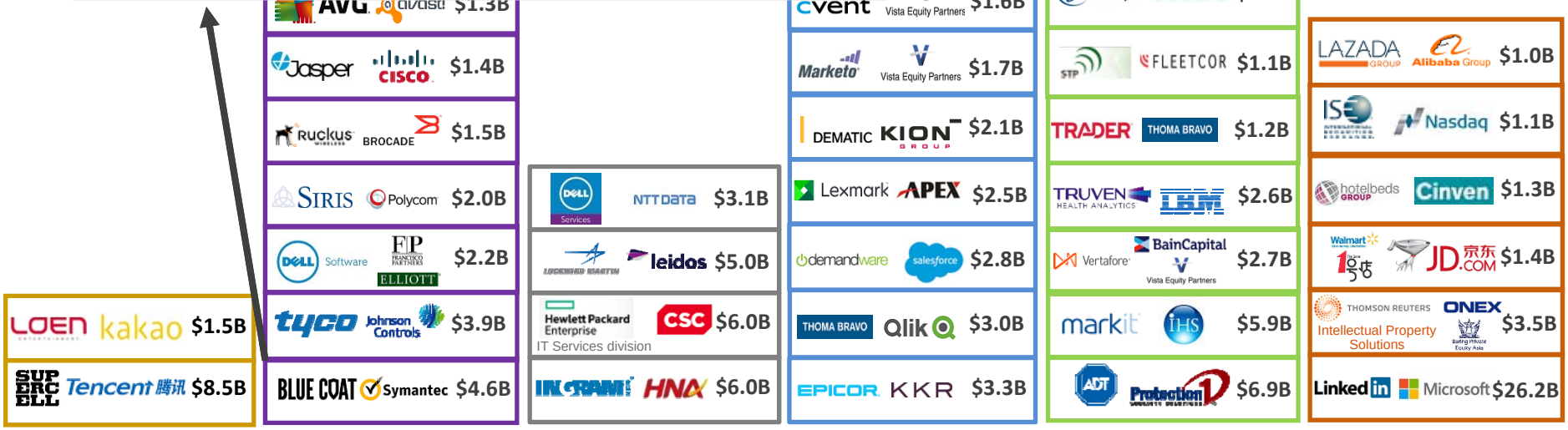
Mega Deals - 2016 YTD

Target: Blue Coat Systems Inc. [Bain Capital] [USA]
Acquirer: Symantec Corporation [USA]
Transaction Value: $4.6B (7.8x EV/S)



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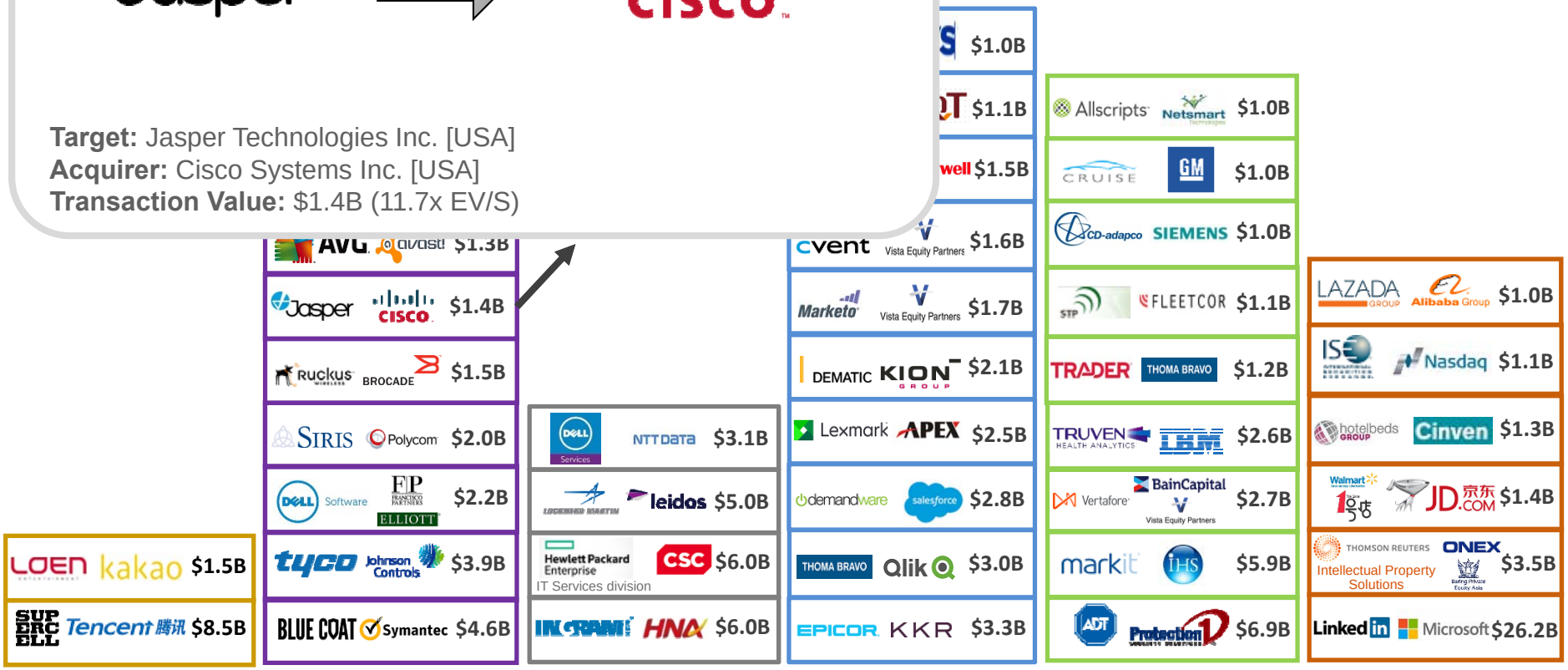
Mega Deals - 2016 YTD

Jasper Sold to CISCO

Target: Jasper Technologies Inc. [USA]
Acquirer: Cisco Systems Inc. [USA]
Transaction Value: $1.4B (11.7x EV/S)



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Infrastructure Software Market

Deal Spotlight: Security

EV/EBITDA

EV/S

18.0

4.50 x

.00 x

.50 x

.00 x

.50 x

2.00 x

CloudLock

Sold to

CISCO

Target: CloudLock Inc. [USA]
Acquirer: Cisco Systems Inc. [USA]
Transaction Value: $293M

- Access control and anti-data leakage SaaS
- In line with Cisco's strategy to grow inorganically in enterprise cloud security
- Taps into "consumerization" in IT

EV/EBIT												x
EV/S	4.22 x	4.37 x	4.02 x	3.66 x	4.19 x	4.32 x	3.96 x	3.34 x	3.37 x	3.65 x	3.69 x	3.45 x	3.29 x

Infrastructure Software Market

Deal Spotlights: Security

Ping Identity — Sold to → Vista Equity Partners

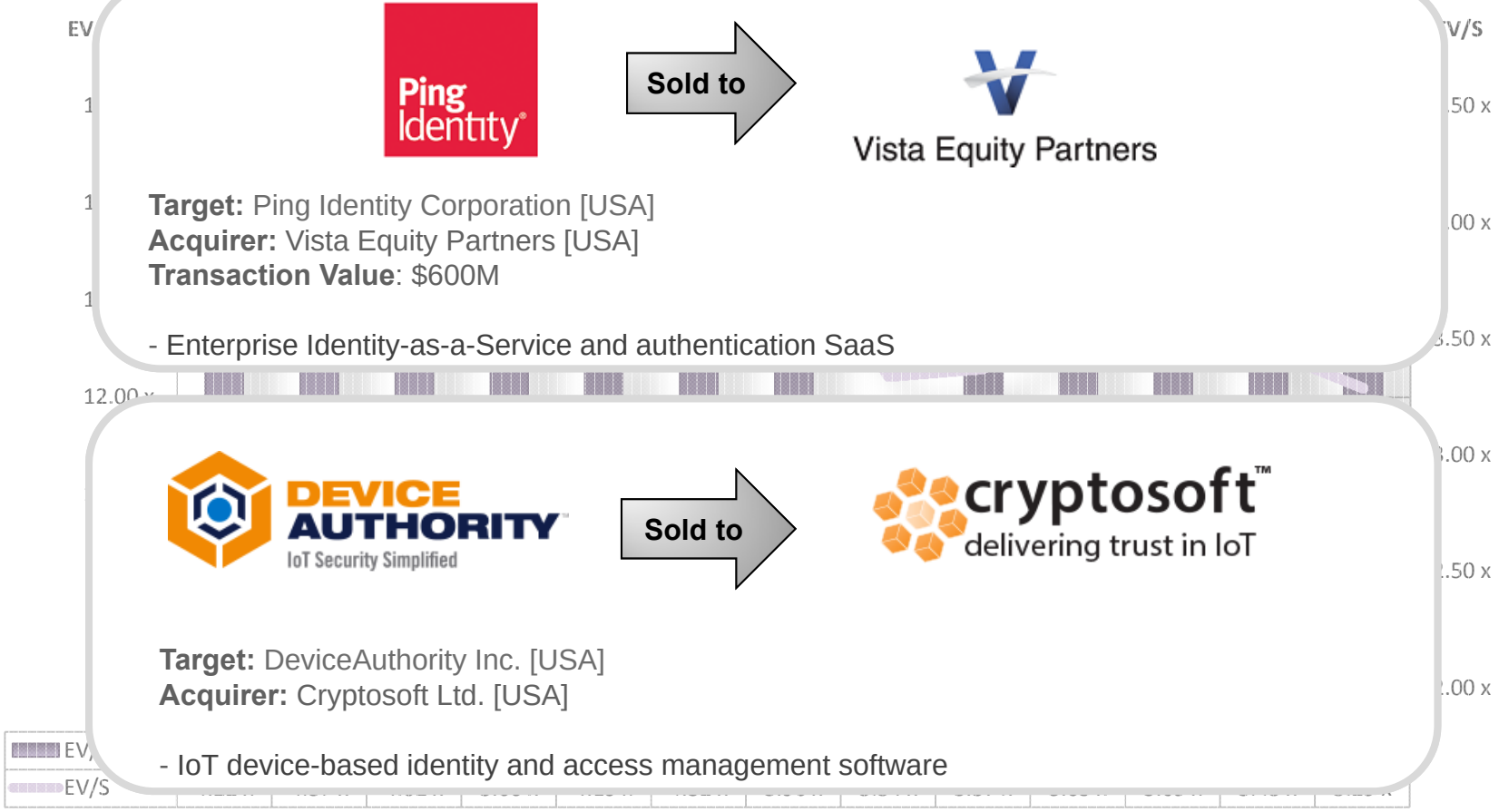
Target: Ping Identity Corporation [USA]
Acquirer: Vista Equity Partners [USA]
Transaction Value: $600M

- Enterprise Identity-as-a-Service and authentication SaaS

DEVICE AUTHORITY — IoT Security Simplified — Sold to → cryptosoft™ delivering trust in IoT

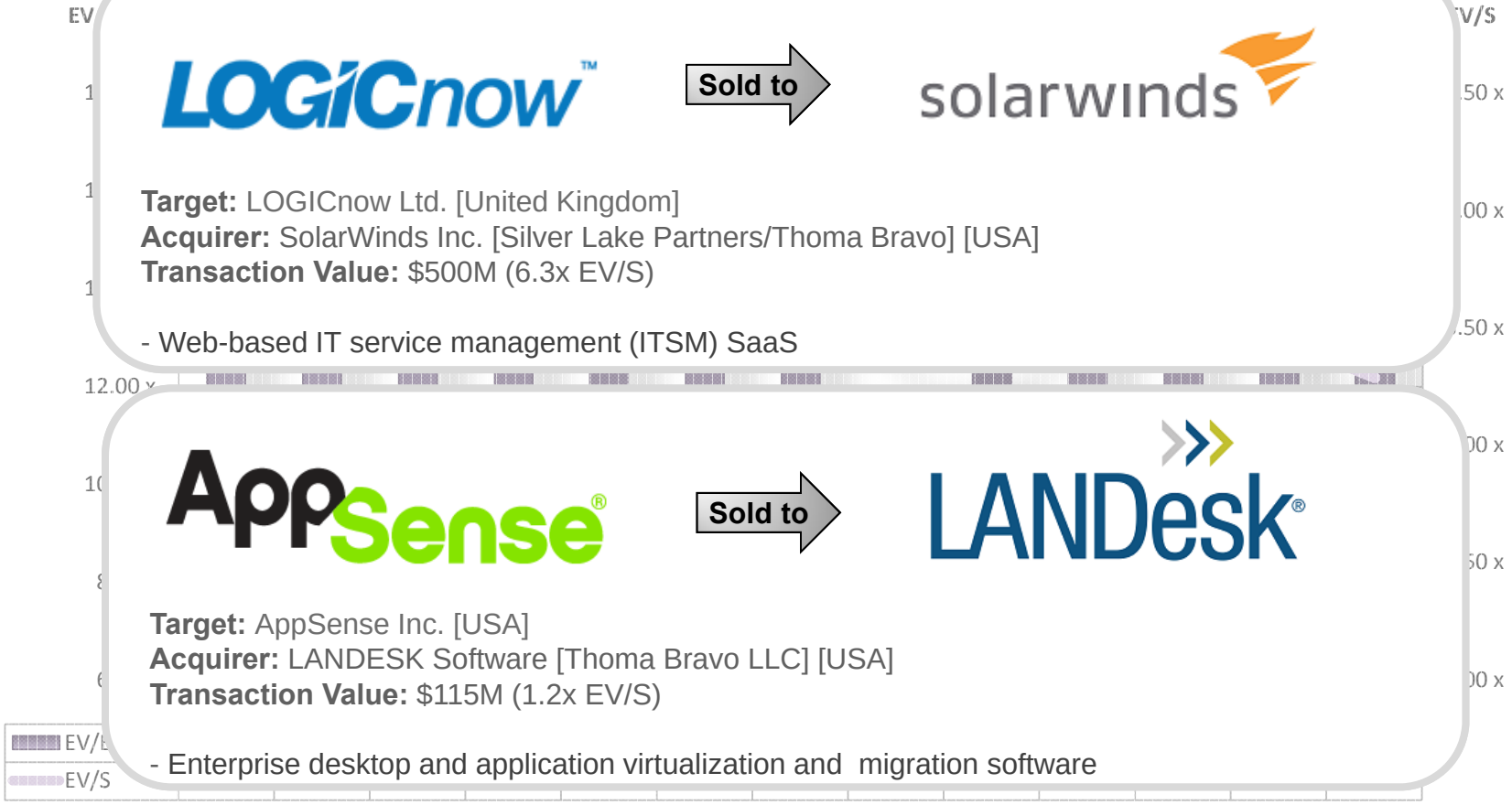
Target: DeviceAuthority Inc. [USA]
Acquirer: Cryptosoft Ltd. [USA]

- IoT device-based identity and access management software



Infrastructure Software Market

Deal Spotlights: IT Services Management



LOGICnow™ **Sold to** solarwinds

Target: LOGICnow Ltd. [United Kingdom]
Acquirer: SolarWinds Inc. [Silver Lake Partners/Thoma Bravo] [USA]
Transaction Value: $500M (6.3x EV/S)

- Web-based IT service management (ITSM) SaaS

AppSense® **Sold to** LANDesk®

Target: AppSense Inc. [USA]
Acquirer: LANDESK Software [Thoma Bravo LLC] [USA]
Transaction Value: $115M (1.2x EV/S)

- Enterprise desktop and application virtualization and migration software

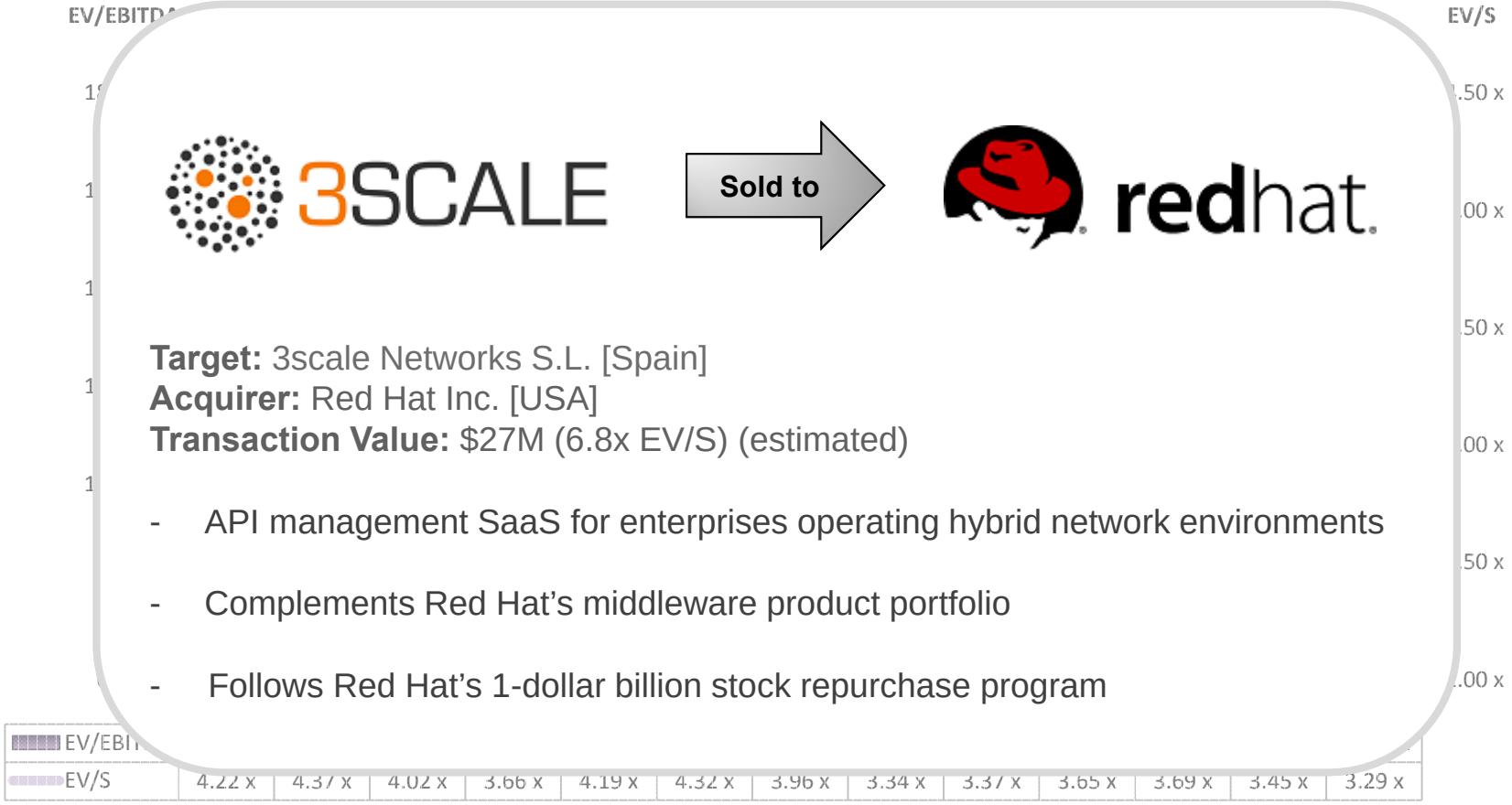
Infrastructure Software Market

Deal Spotlight: Network Management

3SCALE **Sold to** redhat.

Target: 3scale Networks S.L. [Spain]
Acquirer: Red Hat Inc. [USA]
Transaction Value: $27M (6.8x EV/S) (estimated)

- API management SaaS for enterprises operating hybrid network environments
- Complements Red Hat's middleware product portfolio
- Follows Red Hat's 1-dollar billion stock repurchase program



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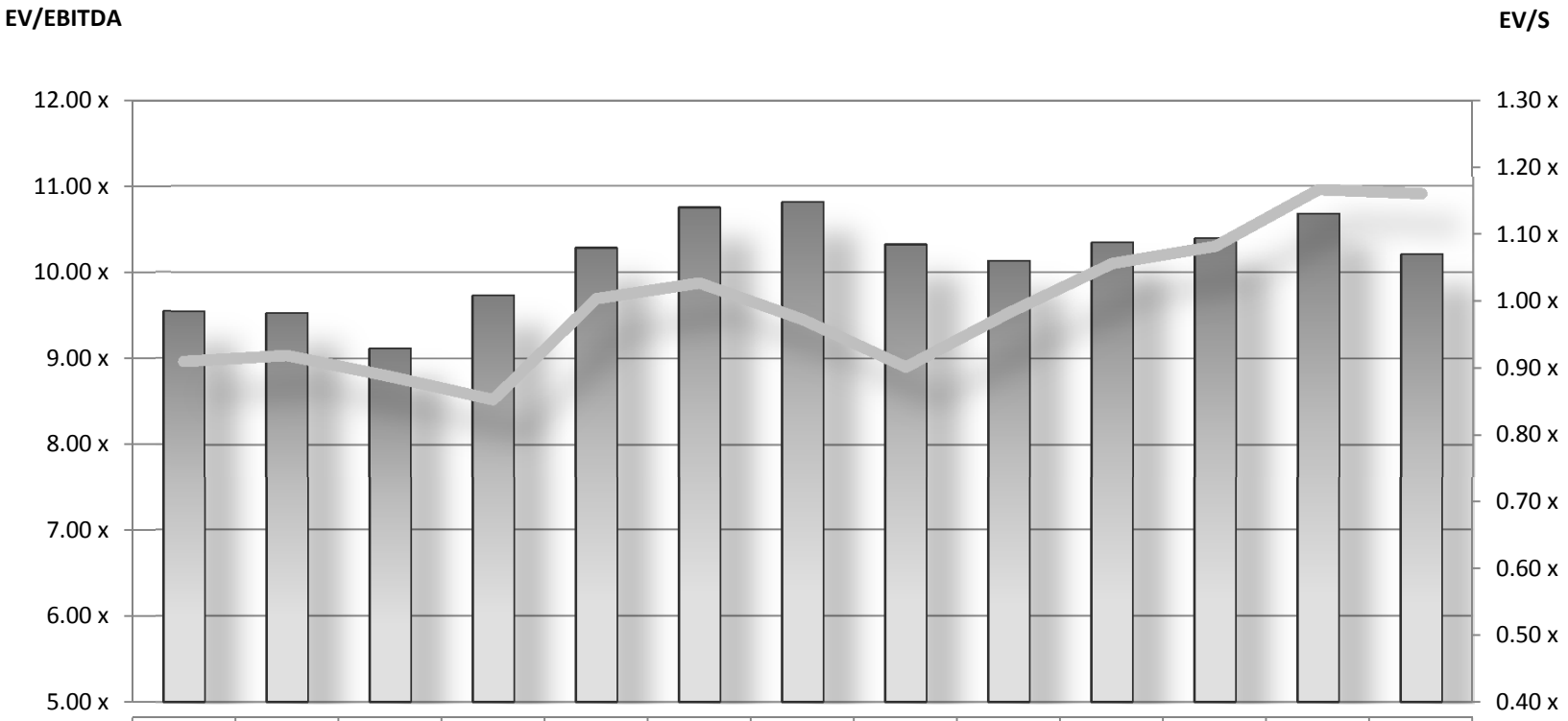
IT Services – Developed Markets

Public Valuation Multiples



	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
EV/EBITDA	9.55 x	9.53 x	9.12 x	9.74 x	10.29 x	10.76 x	10.82 x	10.33 x	10.14 x	10.35 x	10.40 x	10.69 x	10.21 x
EV/S	0.91 x	0.92 x	0.89 x	0.85 x	1.00 x	1.03 x	0.97 x	0.90 x	0.98 x	1.06 x	1.08 x	1.17 x	1.16 x

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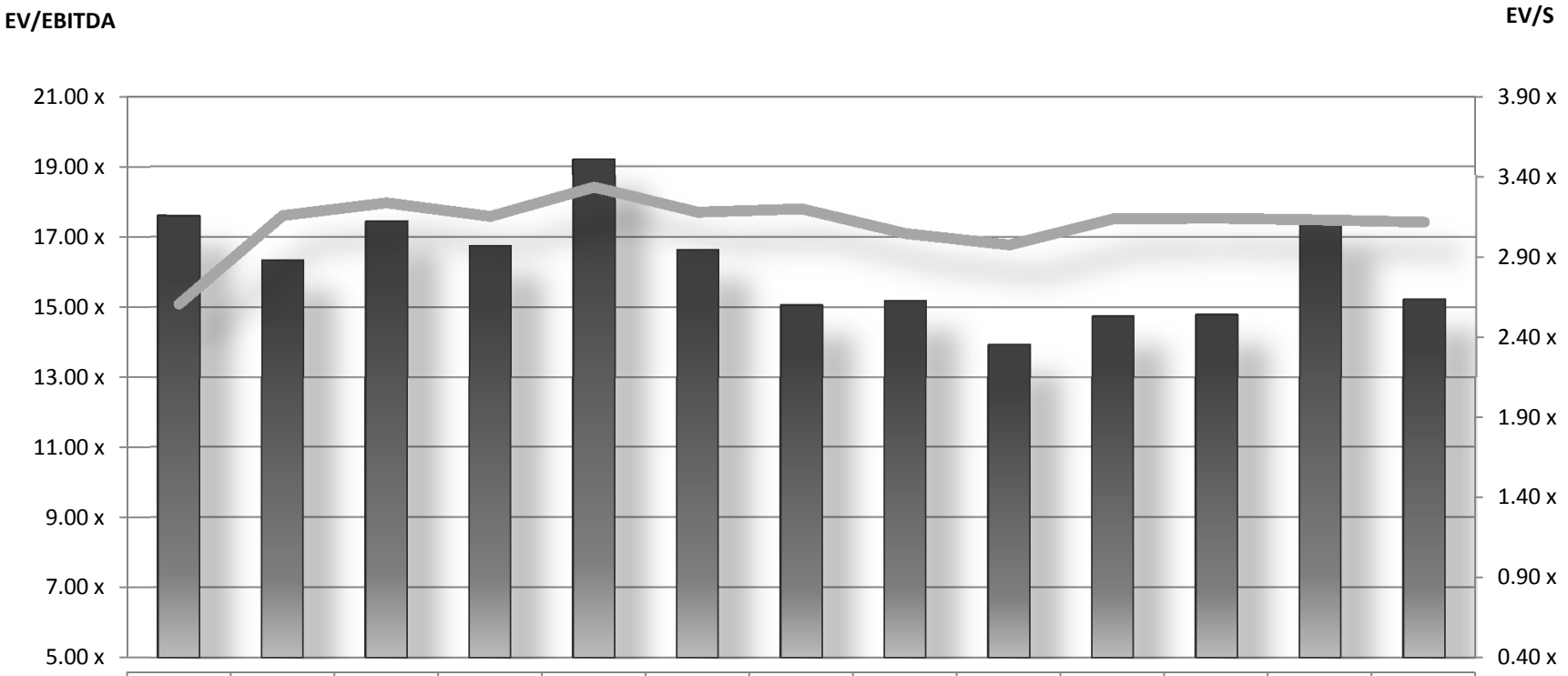
IT Services – Emerging Markets

Public Valuation Multiples

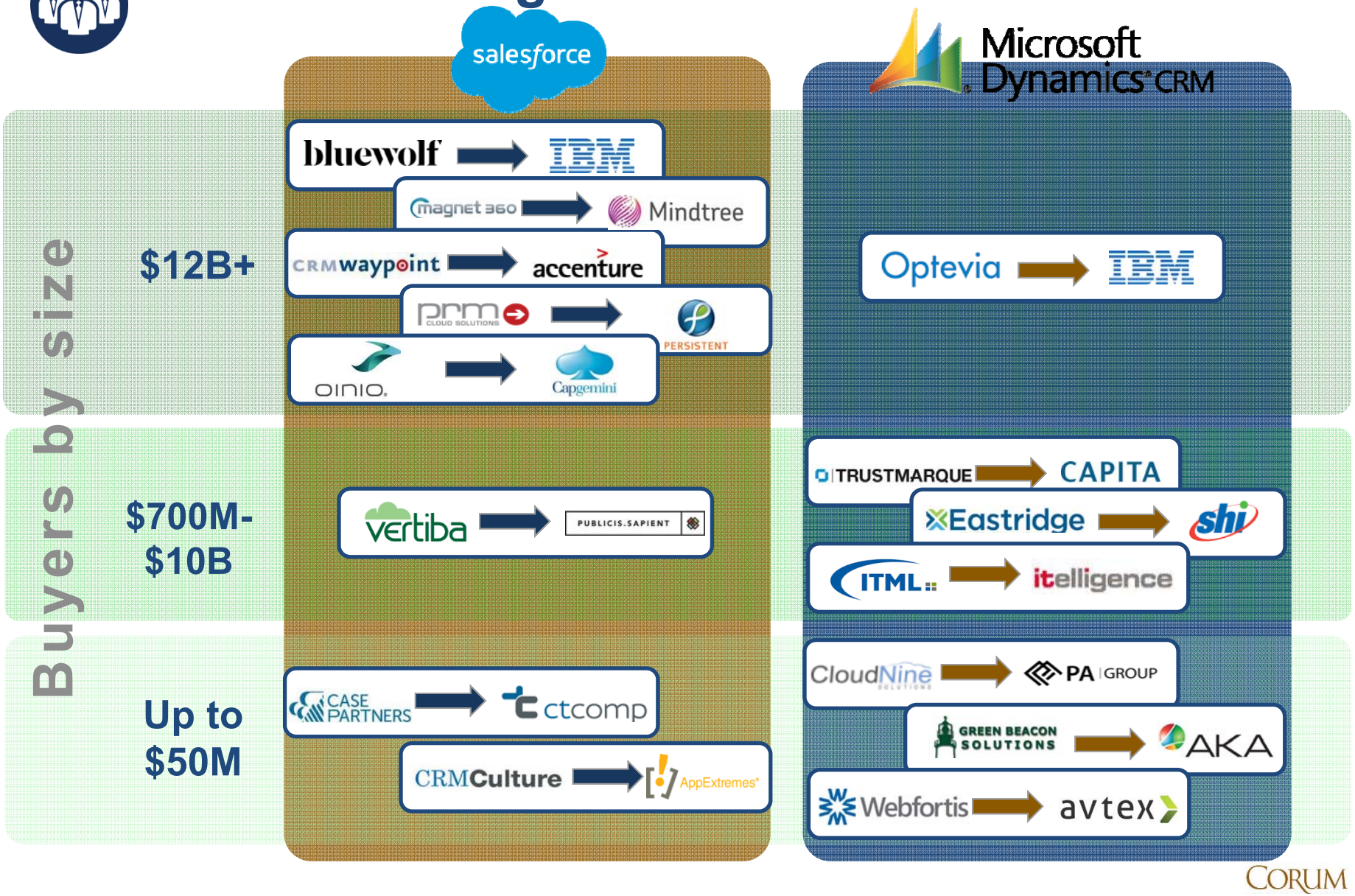


	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
EV/EBITDA	17.62 x	16.35 x	17.47 x	16.77 x	19.21 x	16.65 x	15.07 x	15.19 x	13.94 x	14.76 x	14.80 x	17.40 x	15.24 x
EV/S	2.61 x	3.16 x	3.24 x	3.16 x	3.34 x	3.18 x	3.20 x	3.05 x	2.98 x	3.14 x	3.15 x	3.13 x	3.12 x

IT Services Valuations

Subsector	Sales	EBITDA	Examples
Developed	1.16x	10.21x	accenture, Capgemini, CSC
Emerging	3.12x	15.24x	Infosys, WIPRO Applying Thought, GENPACT

CRM integration services 1H:2016



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Corum Research Report

Elon Gasper
Vice President,
Director of Research

Amber Stoner
Senior Analyst

Aaron King
Analyst

Yasmin Khodamoradi
Analyst

Thomas Wright
Analyst

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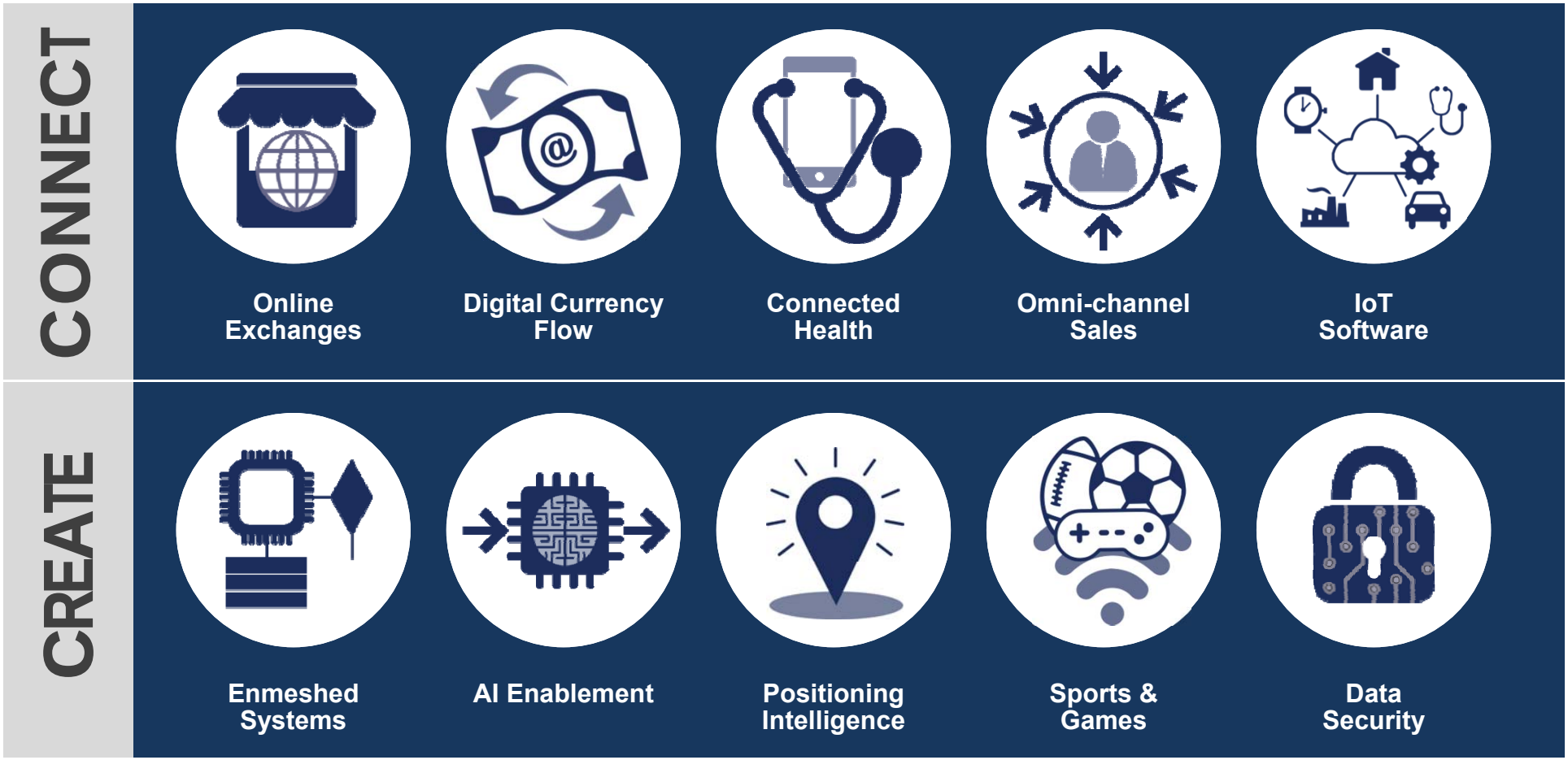
Corum Top Ten Technology Trends 2016



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#1: Online Exchanges

Connecting Creators & Consumers

Ivan Ruzic has had a successful 30+ year career in the software business that has included virtually every senior executive role. His resume spans marquee companies such as BEA systems, Novell and Borland as well as multiple startups including his own. His international experience is extensive and in addition to the United States has been involved in mergers and acquisitions in Europe, Africa and Asia.

His success and extensive experience qualify him as an expert in building value and realizing wealth. Ivan 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 technology companies.

Ivan Ruzic
Vice President
Corum Group Ltd.

#1: Online Exchanges

Connecting Creators & Consumers

- Connecting buyers & sellers, creators & consumers.
- Previously, disintermediators like Napster, Expedia, iTunes, etc. Today, building new kinds of connections.
- Disruptive opportunities include:
  - Medical services
  - Banking
  - Recruiting

#2: Digital Currency Flow

Decreasing Friction in Payments & Exchange

Rob Griggs
Vice President
Corum Group

As a serial entrepreneur and investment banker, Rob Griggs has had a successful 35+ year career in the high technology arena. Early in his career he was a top performer at Apple before starting his first software company in the mid-1980's. As a founder of Authorware / MacroMedia, NetRadio, Wit Capital, and many other companies, Rob's sales, marketing, business development and capital raising skills have been honed over supporting hundreds of company financial transactions during his career.

His success and extensive experience in software M&A uniquely qualify him as an expert in building value and realizing wealth. Rob 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 technology companies.

#2: Digital Currency Flow

Decreasing Friction in Payments & Exchange

- Currency flow has moving towards fewer barriers and less friction on transactions.
- Examples include digital currencies, mobile wallets, innovative payment systems, online game and social network currencies & more.
- Software & systems that improve upon or harness this flow have significant potential.

#3: Connected Health

Linking people to their health data & services

David Levine
Vice President
Corum Group Ltd.

Dave joined Corum in 2015 and has a diverse background in technology and life sciences. As an executive and entrepreneur, Dave has been operating and investing in companies sitting at the convergence of commerce and eCommerce as well as innovative life science businesses for over twenty-five years. Recently, Dave was CEO North America for Gaxsys, an eCommerce and logistics company that is a leader in last mile logistics and fulfillment for eCommerce marketplaces.

Dave has been on both sides of the mergers and acquisitions table having sold a life science technology company, facilitated sell side and buy side technology transactions and has also scaled multiple technology companies globally in the eCommerce, life sciences and innovation intelligence markets. Dave sits on boards of public and private companies including one company that recently filed for an IPO.

Dave holds a business degree from the Indiana University, Kelley School of Business.

#3: Connected Health

Linking people to their health data & services

- Technological, regulatory and demographic changes converging to create significant opportunity
- Leveraging new hardware: smartphones, fitness trackers, connected medical devices.
- Improved self-care and remote care/diagnosis.
- Makes healthcare more patient-centric by enabling healthcare consumerism

#4: Omni-Channel Sales

Purchasing decisions anywhere, any platform

Daniel Bernstein
Vice President
Corum Group Ltd.

Daniel Bernstein has worked in a number of roles over a twenty year career in high technology, most recently as the founder and CEO of Sandlot Games Corporation, a leading casual games publisher and developer. Having sold Sandlot Games to Digital Chocolate in 2011, Daniel started a small games studio and a consulting practice where he advises larger companies such as RealNetworks and smaller high growth businesses on product development, strategic initiatives, and M&A opportunities.

Prior to Sandlot Games, Daniel Bernstein held director level positions in companies such as Wild Tangent and Monolith. An accomplished composer, Daniel also writes music for most of the games he works on.

Daniel holds a BS in Computer Science and an MA in Music Composition from the University of Virginia.

#4: Omni-Channel Sales

Purchasing decisions anywhere, any platform

- Consumer platforms & devices continually fragmenting.
- Marketing keeping pace – next challenge is sales, both decision points and actual purchase.
- Point at which money changes to product must be immediately with customer, moving closer by being on their favorite device.
- Consumer brands leading the way, but enterprise is not far off.

#5: IoT Software

Emerging Platforms, Standards & Analytics

Rob Schram
Senior Vice President
Corum Group Ltd.

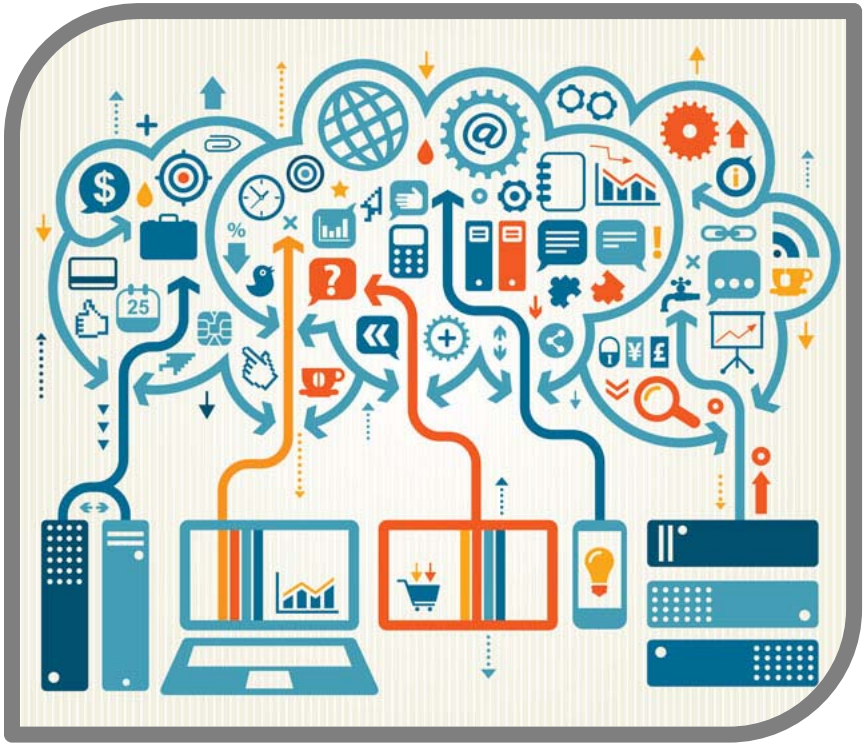
Rob has over 30 years of executive and entrepreneurial experience in multiple technologies: Integrated circuit testing, industrial process automation and control, communications software, security software, and energy software and services.

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.

#5: IoT Software

Emerging Platforms, Standards & Analytics

- Internet of Things (IoT) shocking growth towards multi-trillion dollar market spawns first full software cycle.
- Each “Thing” needs platforms, communication, analytics, etc.
- Competing ecosystems beginning to coalesce.
- Compatibility-driven, as in other cycles of disruption.



#6: Enmeshed Systems

Blurring the Lines between Software & Hardware

Steve Hassett
Vice President
Corum Group Ltd.

Steve was previously a corporate development executive with Verint Systems, Sage Group plc, and ran a new ventures group for The Weather Channel. Prior to that he was CEO of iTendant, a SaaS and mobile software company he co-founded in 2000. He is the author of the "The Risk Premium Factor: A New Model for Understanding the Volatile Forces that Drive Stock Prices" (Wiley 2011) and has also published in the Journal of Applied Corporate Finance, Ad Age, CNBC.com and is a regular contributing author for the Seeking Alpha investment website. Steve is also inventor of U.S. Patent 9,378,515, which deals with the availability of mobile content based on a user's location and the time of transmission.

He holds an MBA from the Darden School of Business at the University of Virginia and a B.S. from Rensselaer Polytechnic Institute.

#6: Enmeshed Systems

Blurring the Lines between Software & Hardware

- The line between software and hardware continues to blur.
- Beyond embedded systems to those so enmeshed that it is hard to tell where one ends and the other begins.
- Both consumer devices and industrial systems impacted.
- Product evolution seeing hardware replaced by software—and vice versa.

#7: AI Enablement

Putting AI to work by means of big data and feedback

Allan Wilson
Vice President
Corum Group Ltd.

Allan has over 30 years of executive and entrepreneurial experience and has built and sold several software companies in sectors including, manufacturing, supply chain, big data, predictive analytics and social networks. He has deep understanding of Aerospace, Automotive, High Tech, Healthcare, Consumer Products and Military Contracting operating models.

Allan has extensive international experience and lived in Germany for a time working for SAP, following the sale of his company to them in 2009.

#7: AI Enablement

Putting AI to work by means of big data and feedback

- Nascent AIs need big data to learn from and interactive tasks that benefit from improving expertise.
- Watson, Siri, Cortana, Alexa, Google Now and others growing in daily use.
- Mostly consumer-oriented, but Watson already driving major healthcare M&A.
- Other verticals & business cases developing quickly.
- Targets provide machine learning opportunities.

#8: Positioning Intelligence

Pivotal Levels of Precision and Understanding

Peri Pierone
Vice President
Corum Group Ltd.

Peri Pierone has spent the last 25 years creating value in the B2B software marketplace. He has held numerous strategic roles with large global firms like SAP, Business Objects and Fiserv where he was part of several key acquisitions and was responsible for introducing a variety of new applications to market. Peri has also held leading roles in several small privately held software companies that eventually sold to large private equity firms or to other strategic buyers. Through the years he has been intimately involved as an insider on numerous transactions as the acquirer and as the one positioning itself to be acquired.

Most recently he was CEO of Axiom EPM, where he led the company's transformation from a traditional enterprise license business to a true SaaS offering. He was instrumental in driving the sale of the company in 2014 to strategic buyer, Kaufman Hall.

He received his bachelor's degree in business from the University of Washington and his M.B.A from Keller Graduate School.

#8: Positioning Intelligence

Pivotal Levels of Precision and Understanding

- Increasingly granular location data and processing now available.
- Setting in motion a new wave of highly contextual services and information.
- Use cases for location and proximity technology being dramatically enhanced and refined – drones, cars, smartphones, personal trackers and more
- Vertical opportunities beckon now, as key players position for future horizontal plays.

#9: Sports & Gaming

Reaching pivotal moment in culture & tech

Jim Perkins
Vice President
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.

#9: Sports & Gaming

Reaching pivotal moment in culture & tech

- Sports and gaming reaching critical point of cultural importance globally.
- Tech creating new opportunities to change the games, viewership and marketing.
- Sports and video games converging—sports more interactive and gaming more a spectator sport (i.e., e-sports, daily fantasy).
- Gambling creating value opportunities in both sectors and their intersection.

#10: Data Security

Building Barriers in an Age of Blurred Lines

Jon Scott
Managing Director
Corum Group International

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.

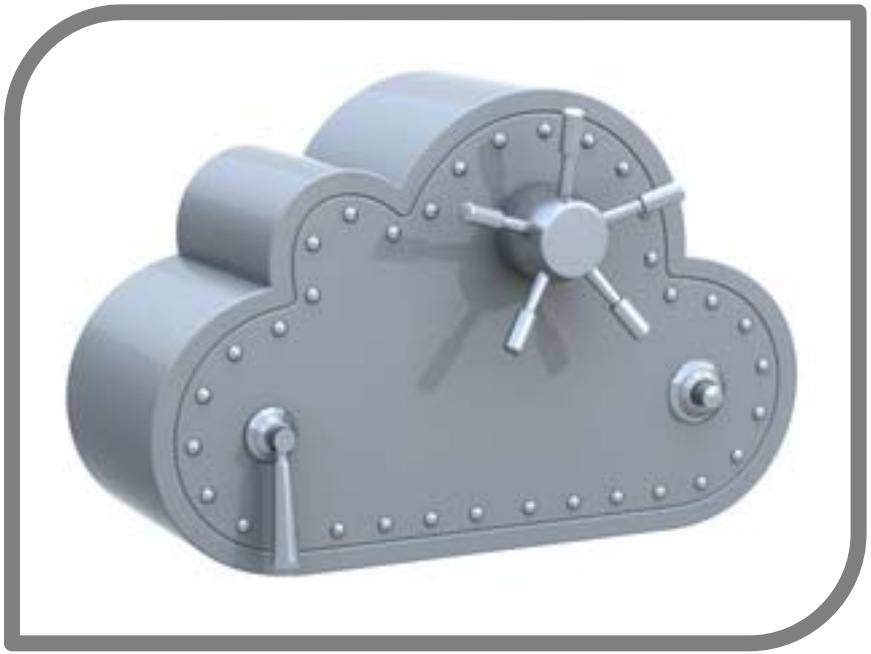
Jon has served as President and CEO of The PowerTech Group, a security and compliance software company sold to Help/Systems in 2008, and Microserv Technology Services, a nationwide tech services company which was acquired by Halifax Corporation in 2003. Earlier he served as President and COO of Traveling 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.

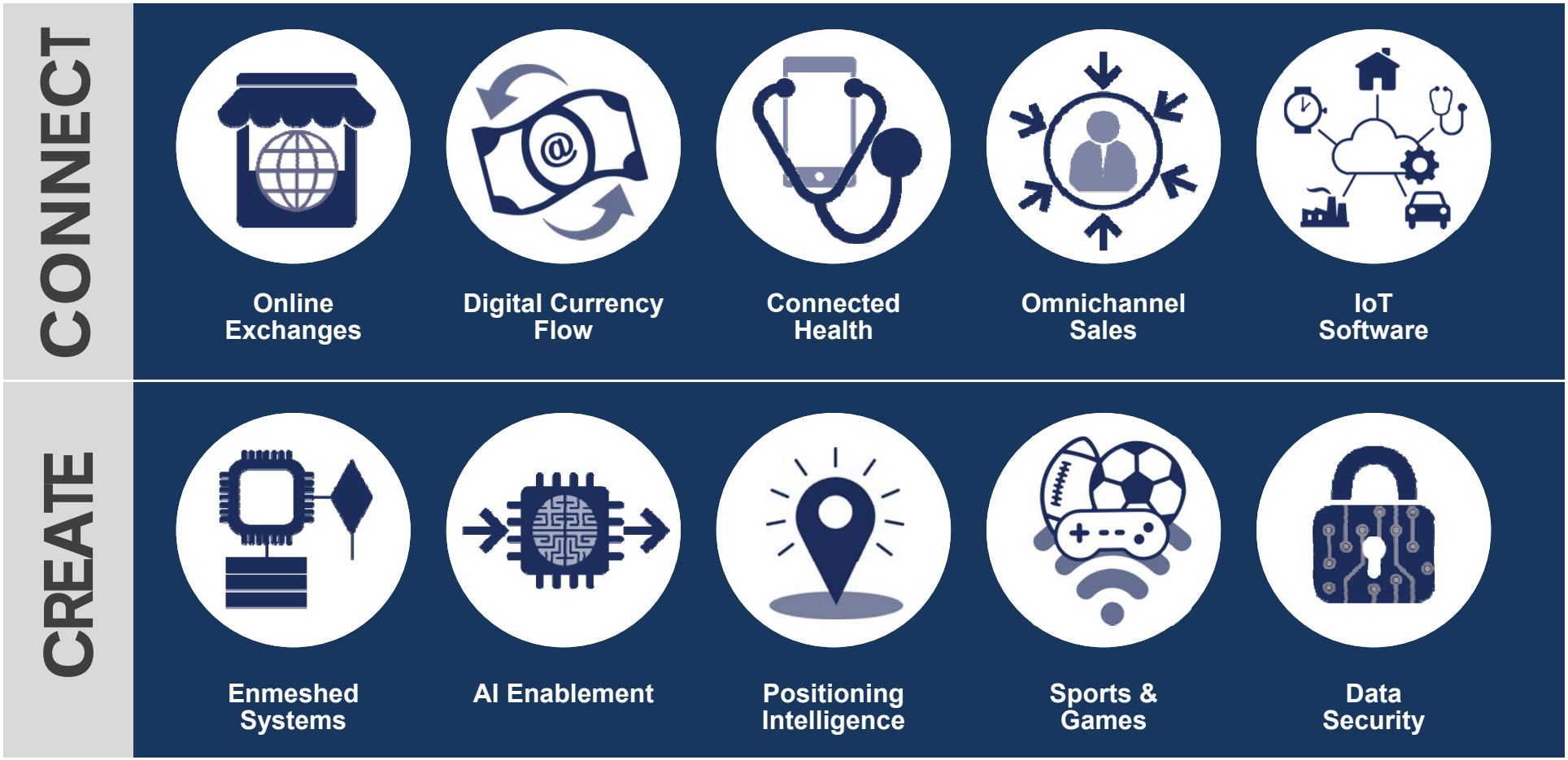
#10: Data Security

Building Barriers in an Age of Blurred Lines

- New technologies creating new risks from freer flowing data.
- High profile hacks (OPM, Patreon, Ashley Madison, Target, Sony, JP Morgan) drive broad recognition of security needs.
- Key trends include security analytics, rapid detection & in-process threat response.
- Internet of Things opening a new front in this fight.



Corum Top Ten Technology Trends 2016



CORUM

Q&A

- We welcome your questions!
  - Use Q&A tab at the bottom of screen
  - Submit to queue at any time

Upcoming Conference Schedule

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

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

July 19: **Boston** – MB

July 21: **New York** – SUSO

… With more events in:

Atlanta

Salt Lake City

Denver

London

San Francisco

Los Angeles

Seattle

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After the Deal – Celebration

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