



TECH M&A MONTHLY

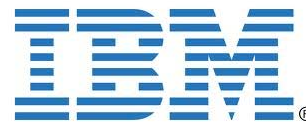
....starts in 2 minutes



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CORUM

Past Attendees Include:



CORUM

Past Conferences & Reports

- Private Equity Panel
- Buyers Panel
- Google Acquisition Strategy
- Crowdfunding M&A Impact
- Special Reports: SaaS, Mobile, Gaming, Social, Cloud, Geospatial, Security
- Special Reports: Facebook Effect, Dell, Microsoft, HP, IBM...



TECH M&A MONTHLY

....starts in 1 minute

Merge Briefing

- 90 Minutes
- Industry Update
- Overview of the M&A Process
- Upcoming events in:
 - Copenhagen
 - Stockholm
 - Houston
 - Orlando
 - Miami
 - Dallas
 - Austin
 - Paris
 - Munich
 - Kansas City
 - St. Louis
 - Manchester



MERGE BRIEFING

Selling Up, Selling Out

- Half-Day
- Tech M&A Bootcamp
- The most attended tech executive conference in history
- Upcoming events in:
 - Detroit
 - Atlanta
 - Seattle
 - Hong Kong



8 Stages for an Optimal Outcome

1



Typical Negotiation Flow





AVOIDING THE

DEAL DISASTERS

Upcoming Conference Schedule

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

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

Mar. 17: **Copenhagen** – MB

Apr. 14: **Atlanta** – SUSO

Mar. 17: **Detroit** – SUSO

Apr. 15: **Paris** – MB

Mar. 18: **Stockholm** – MB

Apr. 22: **Munich** – MB

Mar. 20: **Houston** – MB

Apr. 28: **Kansas City** – MB

Mar. 24: **Orlando** – MB

Apr. 29: **St. Louis** – MB

Mar. 26: **Miami** – MB

Apr. 30: **Manchester** – MB

Mar. 31: **Dallas** – MB

May 5: **Riga** – MB

Apr. 2: **Austin** – MB

May 7: **Istanbul** – MB

www.CorumGroup.com/Events

CORUM

Logistics

- Ask questions for Q&A session
 - Use Q&A window on left side
 - Submit to queue at any time
 - Ask “all panelists” – see “ask” option above text-entry box
- This event is being recorded
 - Rebroadcast March 20, 12:30am PT, and 8:00am PT
 - Archived webcast will be available at www.corumgroup.com



Tech M&A Monthly Sellers Panel

12 March 2015

Moderator



Timothy Goddard
VP, 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
- Field Report: EmailDirect
- Special Report: Gaming Ecosystem M&A
- Research Report
- Seller Conversation: Rob Linden, EmailDirect
- Q&A

Field Report: EmailDirect



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.

Gaming Ecosystem M&A Report



Alina Soltys
Associate

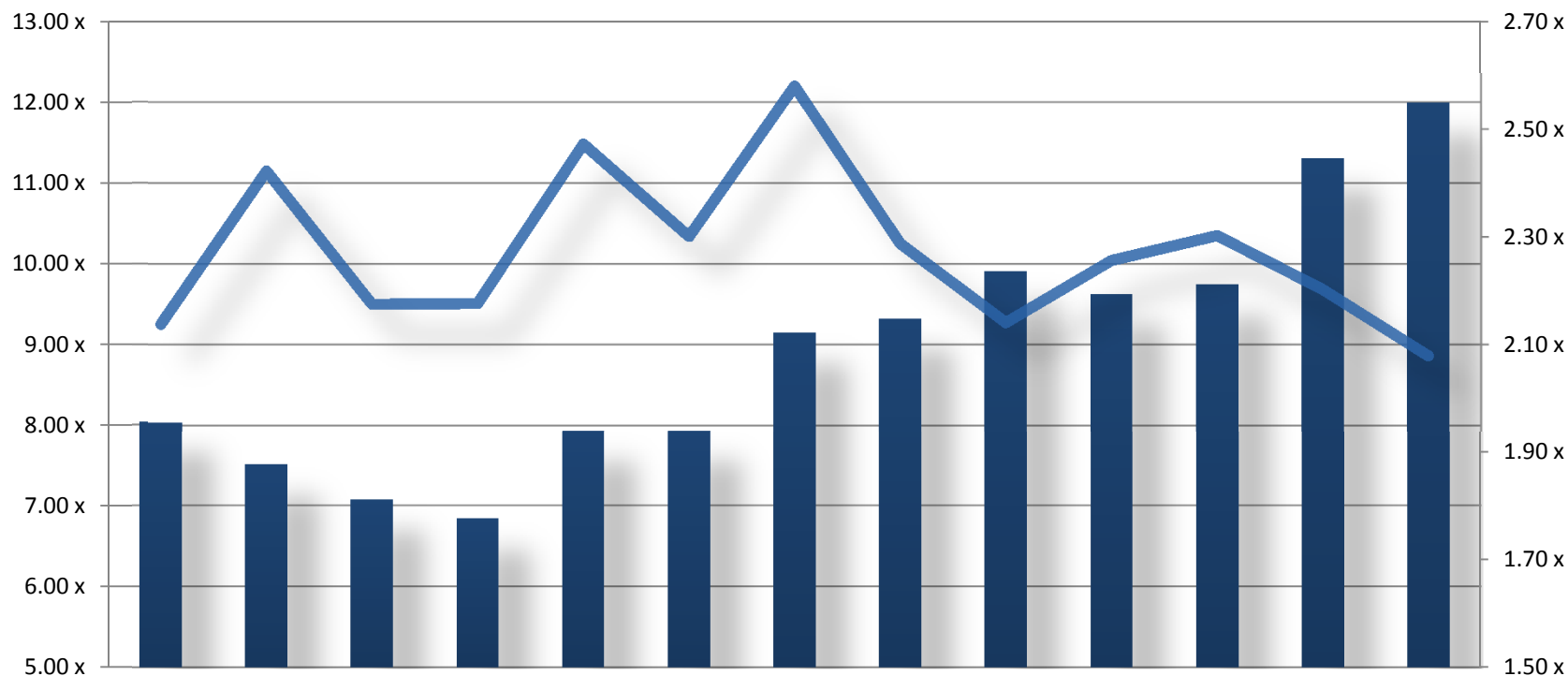
Alina Soltys joined Corum Group in 2010, located out of their Seattle headquarters assisting on the transaction side. As a senior analyst, she focuses on strategic positioning, growth opportunity development and financial analysis as well as speaking regularly at conferences such as Casual Connect and WFS.

Previously she worked on the buy side at a boutique real estate development firm focused on multi-family acquisitions as well as interning in the Mergers and Acquisitions Group at Colliers International. Alina graduated from the Foster School of Business at the University of Washington with honors, specializing in Finance and Entrepreneurship.

Gaming Valuations: Public Peer Group

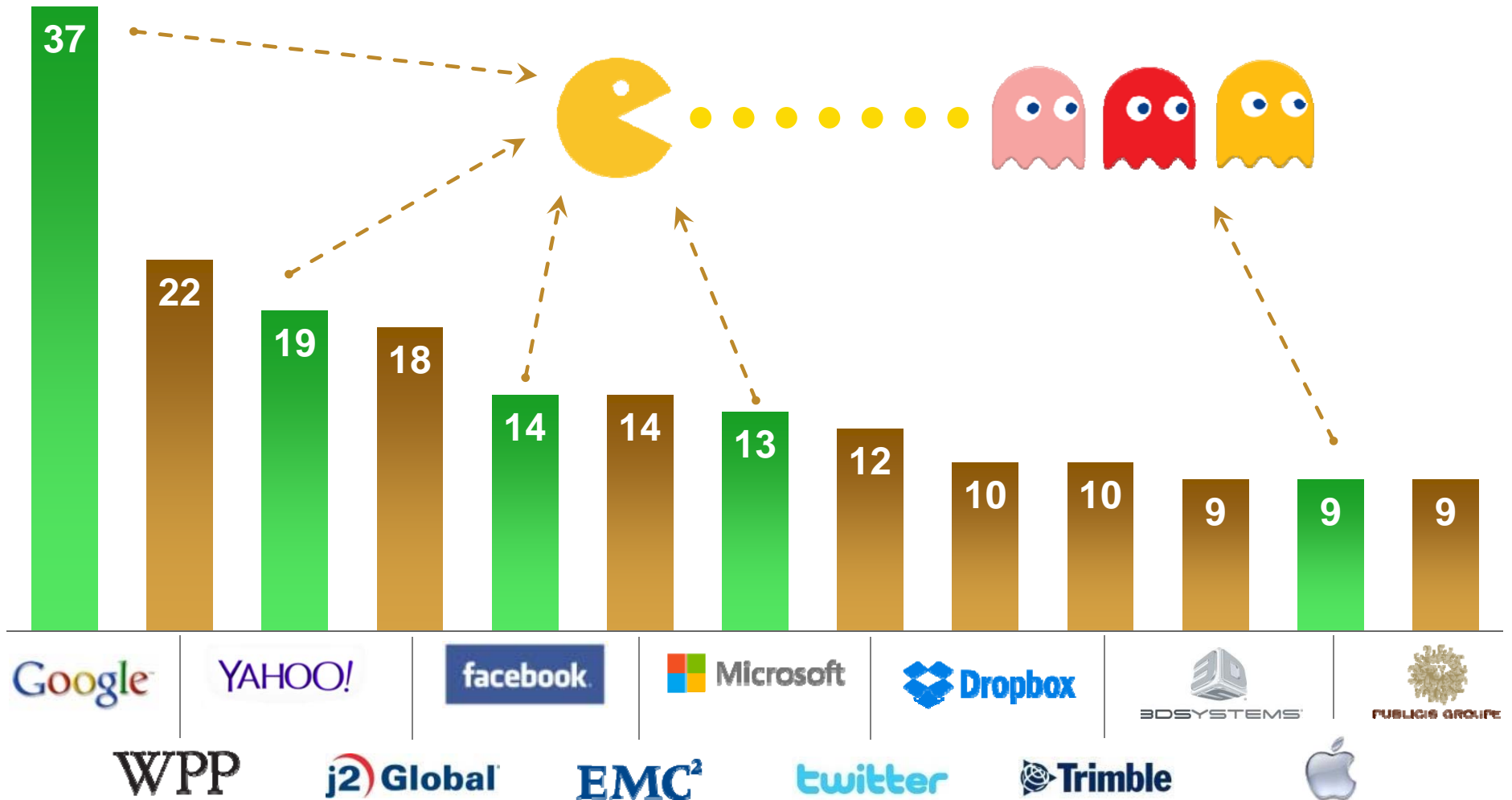
EV/EBITDA

EV/S



	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
EV/EBITDA	8.04 x	7.51 x	7.08 x	6.84 x	7.94 x	7.94 x	9.16 x	9.33 x	9.92 x	9.63 x	9.75 x	11.31 x	12.00 x
EV/S	2.14 x	2.42 x	2.18 x	2.18 x	2.47 x	2.30 x	2.58 x	2.29 x	2.14 x	2.26 x	2.30 x	2.20 x	2.08 x

Top Strategic Acquirers: 2014



Top Strategic Gaming Acquirers: 2014



Oculus: Growth Through M&A



Sold to

facebook

Acquirer: Facebook
Target: Oculus Rift
Deal Value: \$2 Billion
Date: April 2014

Following the Acquisition



Sold to



Target: Carbon Design Group
Acquirer: Oculus VR
Transaction Value: Undisclosed



Jenkins

Sold to



Target: Jenkins Software (RakNet)
Acquirer: Oculus VR
Transaction Value: Undisclosed

NIMBLE VR

Sold to



Target: Nimble VR
Acquirer: Oculus VR
Transaction Value: Undisclosed

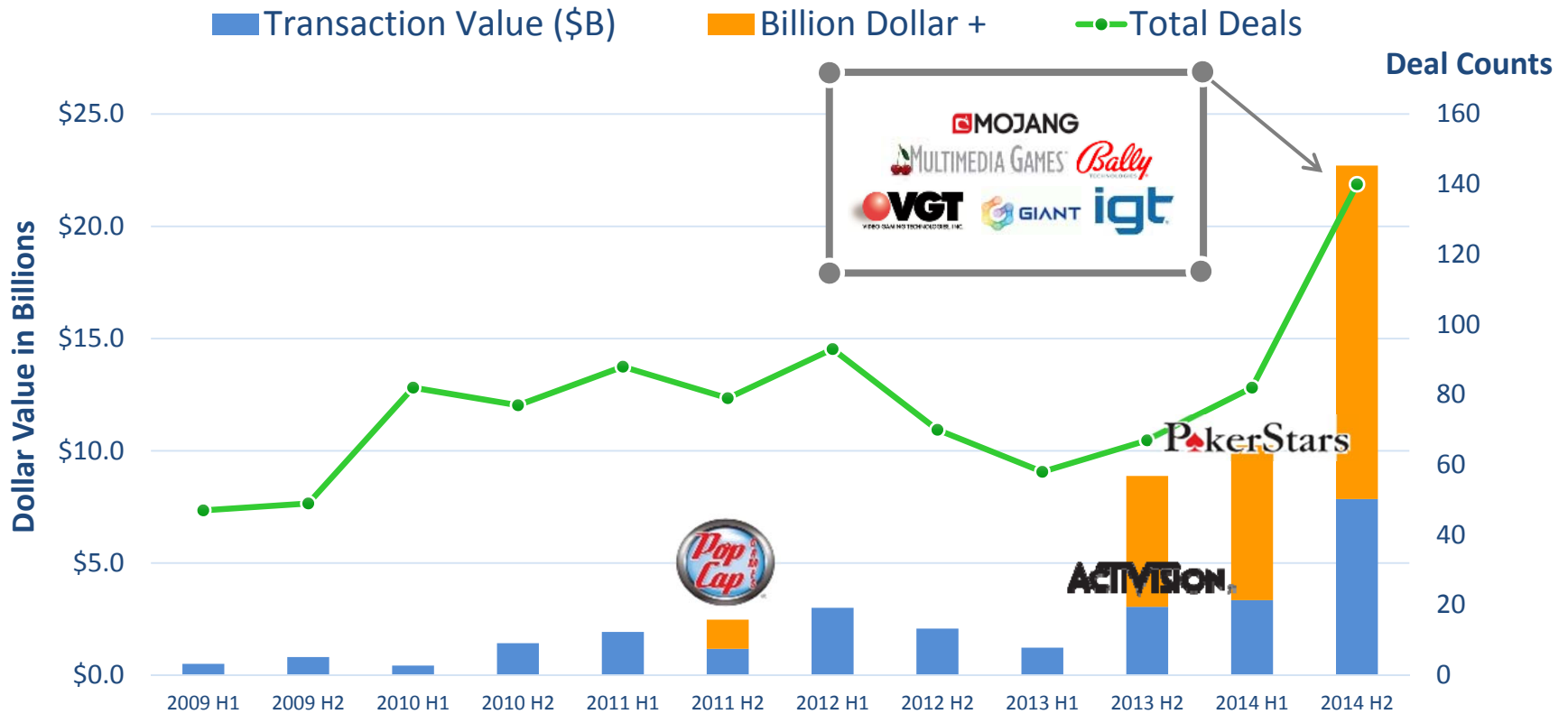
13th lab

Sold to



Target: 13th Lab AB
Acquirer: Oculus VR
Transaction Value: Undisclosed

Transactions in the Gaming Ecosystem

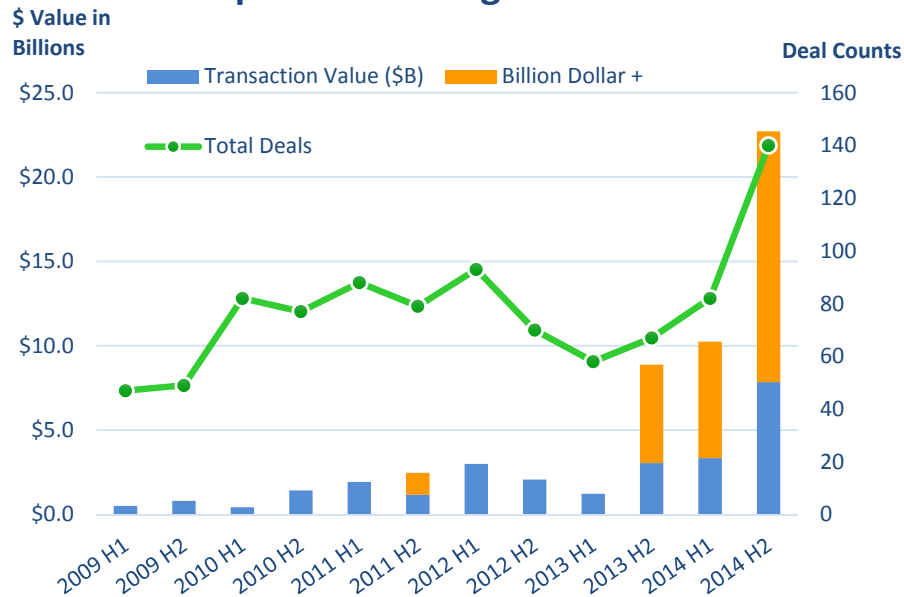


Sources include company filings and releases, industry databases and Corum Group.

- Both majority and minority deals included.
- Transactions relating to the gaming ecosystem were included, not limited to gaming studios.
- Only announced or available deal values included.

Transactions in the Gaming Ecosystem

Reported Gaming Transactions



Deal Volume Highest Since 2009

2 Record Setting Years

Excluded Billion \$ Transactions:

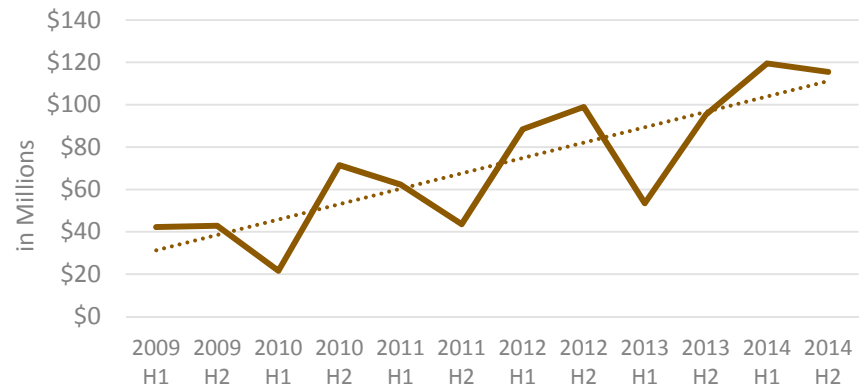
- **H1 2014 : \$3.35B**
- **H2 2014: \$7.85B**

Average Deal Size:

5 Year Growth: 170% \$43m to \$115m

YoY: 21% \$95m to \$115m

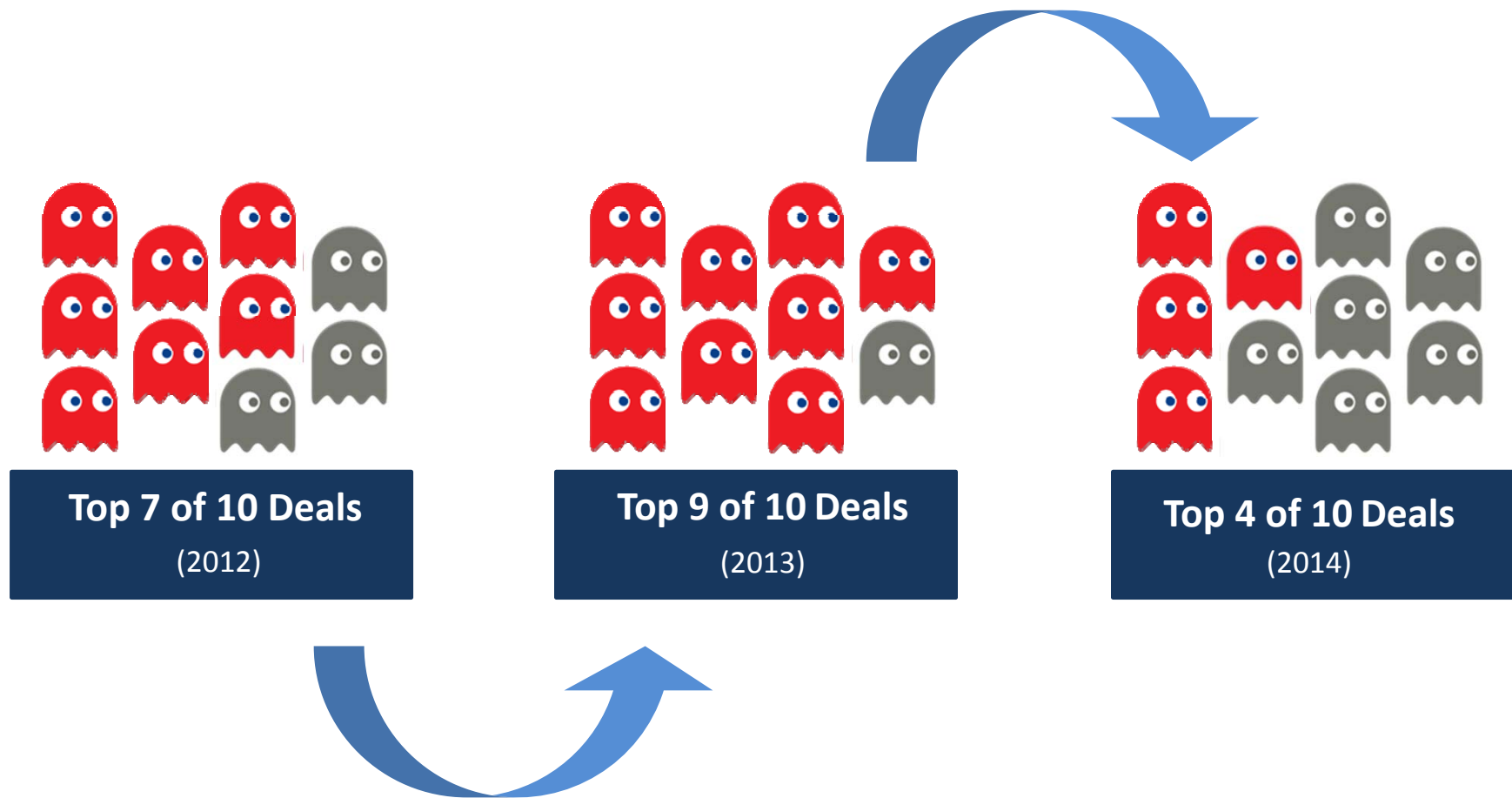
Average Deal Size Trending



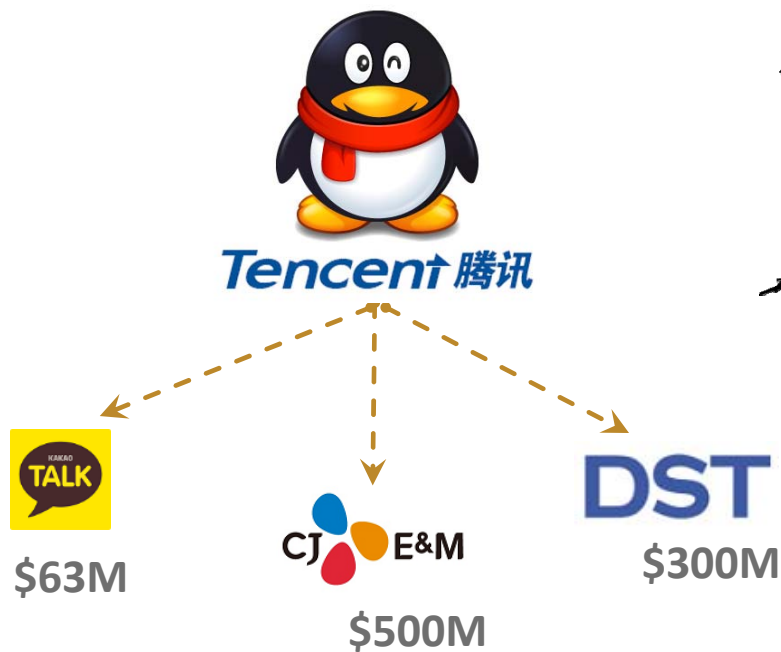
Top Gaming Transactions 2014



Asia Share of Top 10 Gaming Deals



Battle of Chinese Giants : Tencent vs Alibaba



VS



Spending time partnering with studios to become a publisher

Expanding beyond eCommerce

Activity Since 2013 for Tencent & Alibaba

88

Acquisitions &
Investments

\$21B

Total Value

Games as a Service

Continuously delivering value to Gamers

Service Concept

- Players pay as they go & what they use - “F2P”

All Encompassing

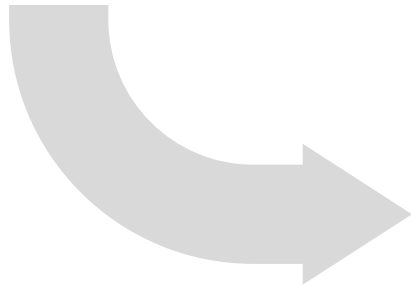
- Starting with trailer thru game play, online presence, community, etc.

Monetization is Key

- Strong analytical solutions and strategies
- Keep the users coming back

Specialization Economy

- Focused solution providers helping every step of the way from product development to a/b testing to analytic compilation



helpshift



CORUM

Corum Research Report

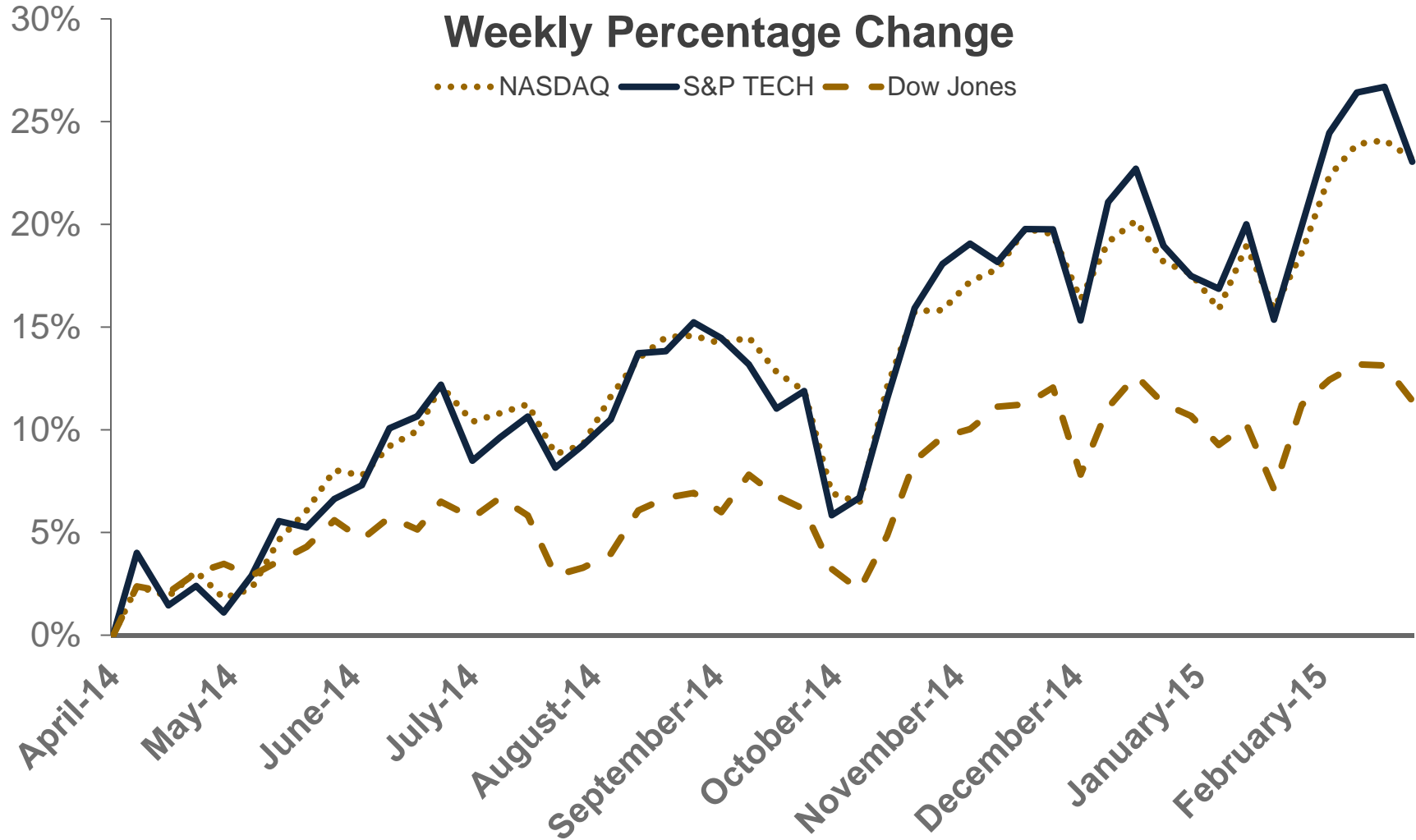


Elon Gasper
Vice President,
Director of Research



Amber Stoner
Senior Analyst

Public Markets



Macro view: 4 Longest* Bull Market Runs

	Start	End	Years
Dotcom Bubble	Oct. 11, 1990	Mar. 24, 2000	9.5
Postwar Boom	Jun. 13, 1949	Aug. 2, 1956	7.1
That 70s Inflation	Oct. 3, 1974	Nov. 28, 1980	6.2
Current	Mar. 9, 2009	?	6.0 +



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

CORUM

Corum Index

Buyer	Seller	Price
Harris Corp.	Exelis Inc.	\$4.8B
Canon	Axis Communications	\$2.8B
SS&C Technologies	Advent Software	\$2.5B
Expedia	Orbitz Worldwide	\$1.4B

	Feb. 2014	Feb. 2015
# of Transactions	234	331
# of Mega Deals	1	4
Largest Deal	\$19B	\$4.8B
Private Equity Deals	9	15
# VC backed Exits	48	62
% Cross Border Transactions	32%	34%
% of Startup Acquisitions	12%	11%
Average Life of Target	13	14

February Mega-Deals

Buyer	Seller	Price
Harris Corp.	Exelis Inc.	\$4.8B
Canon	Axis Communications	\$2.8B
SS&C	ment Software	\$2.5B
	de	\$1.4B

	Feb. 2014	Feb. 2015
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of Transactions 234 331

of Mega D

Largest Deal



Private Equ

VC backed

% Cross Bo

% of Startup

Average Life of Target 13 14


➔


Target: Exelis
Acquirer: Harris Corporation
Value: \$4.75B

- Designs software tools to visualize remotely sensed data

February Mega-Deals

Buyer	Seller	Price
Harris Corp.	Exelis Inc.	\$4.8B
Canon	Axis Communications	\$2.8B
SS&C	ment Software	\$2.5B
	de	\$1.4B

Feb. 2014 Feb. 2015

of Transactions 234 331

of Mega D

Largest Deal

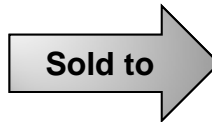
Private Equ

VC backed

% Cross Bo

% of Startup

Average Life of Target 13 14



Target: Axis Communications
Acquirer: Canon
Value: \$2.8B

- Video monitoring software and Internet-networked camera systems

February Mega-Deals

Buyer	Seller	Price
Harris Corp.	Exelis Inc.	\$4.8B
Canon	Axis Communications	\$2.8B
SS&C	Advent Software	\$2.5B
		\$1.4B

	Feb. 2014	Feb. 2015
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of Transactions 234 331

of Mega Deals

Largest Deal

Private Equity

VC backed

% Cross Border

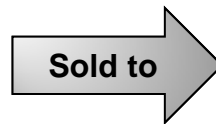
% of Startups

Average Life of Target

13

14

ADVENT[®]



Target: Advent Software
Acquirer: SS&C Technologies [Carlyle Group]
Value: \$2.7B

- Investment analytics software



Horizontal Application Software Market

Public Valuation Multiples

Since Q4

Feb. 2015

Corum Analysis

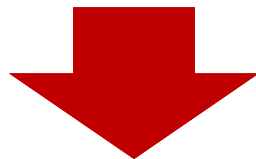
EV
Sales



3.6x

Back to summer of '14 levels after brief dip.

EV
EBITDA



17.6x

Small decrease attending volatility in public markets.



Horizontal Application Software Market

Deal spotlights



Sold to

 Hitachi Data Systems

Target: Pentaho
Acquirer: Hitachi Data Systems
Value: \$530M

- BI analytics and data integration software

EV

Sales

REVOLUTION
ANALYTICS

Sold to

 Microsoft

Target: Revolution Analytics
Acquirer: Microsoft
Value: \$200M

- BI statistical computing and predictive analytics software

EV

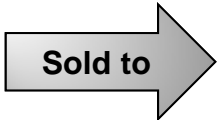
EBITD



Horizontal Application Software Market

Deal spotlights

EV
Sa



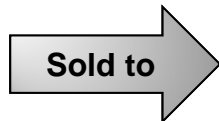
Target: Decipher
Acquirer: Focus Vision [Thompson Street]

- Provides market research and reporting platform and tools

Analysis

Summer of '14
er brief dip.

EV
EBI



Target: Prelytix
Acquirer: First Derivatives
Value: \$7.5M

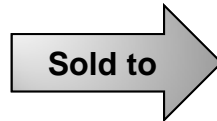
- B2B predictive analytics and marketing automation software

all decrease
volatility in
markets.



Horizontal Application Software Market

Deal spotlights: Marketing Automation



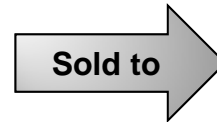
Target: Toro
Acquirer: Google

Analysis

summer of '14
er brief dip.

EV

Sa



converser

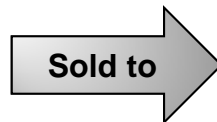
Target: Converser
Acquirer: Swrve

increase

attending volatility in
markets.

EV

EBI



Target: InferSystems
Acquirer: Kochava



Horizontal Application Software Market

Deal spotlights: Marketing Automation

Since Q4

Feb. 2015

Corum Analysis

*Back to summer of '14
... after brief dip.*

EV

Sales



distribion

Sold to

A. H. BELO CORPORATION

Target: Distribion
Acquirer: AH Belo
Value: \$15+M

- SaaS company specializing in marketing automation

EV

EBITDA

*se
atility in
ets.*



Horizontal Application Software Market

Deal spotlights



Sold to



Target: PeopleVine
Acquirer: Alliance Creative Group

- Platform that bridges CRM, marketing and customer engagement into a single product suite

EV

Sales

analysis

mer of '14
brief dip.



Sold to



Target: Prosperity Systems
Acquirer: WRAPmail

- Offers development and commercialization of its own Virtual Desktop platform

EV

EBITD

ase

lability in
ets.



Internet Market

Public Valuation Multiples

Since Q4

Feb. 2015

Corum Analysis



5.3x

Sales valuations lifting; still far from 2014 highs, but more rationally pacing EBITDA trends.



24.4x

Small tick upward supported by hot subsectors like Travel & Leisure undergoing consolidation wave.



Internet Market

Deal spotlights

Since Q4

Feb. 2015

Corum Analysis





Internet Market

Deal spotlights

ORBITZ
WORLDWIDE™

Sold to

Expedia®

Target: Orbitz Worldwide
Acquirer: Expedia
Value: \$1.3B

- Orbitz provides more search queries for Expedia to target

EV

Sale

 **travelocity**

Sold to

Expedia®

Target: Travelocity
Acquirer: Expedia
Value: \$280M

- Added travel agency expertise to battle competitors

EV

EBITDA



Internet Market

Deal spotlights

restopolis

Sold to

tripadvisor®

Target: Restopolis
Acquirer: TripAdvisor

EV

Sale

mytable®
book it easy!

Sold to

tripadvisor®

Target: MyTable
Acquirer: TripAdvisor

EV

EBITDA

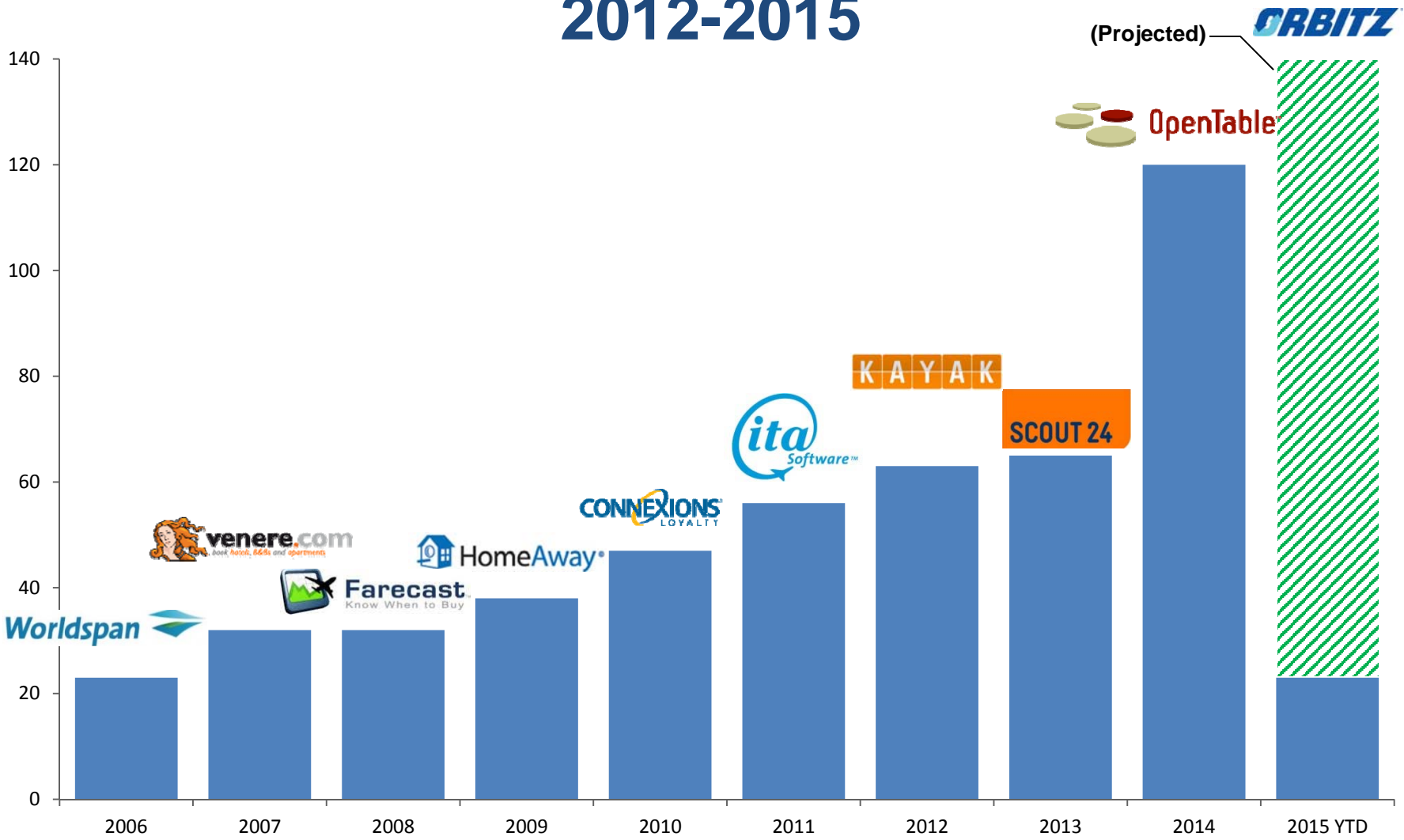
zetrip →

Sold to

tripadvisor®

Target: ZeTrip
Acquirer: TripAdvisor

Travel-related Internet Deals 2012-2015



2015 - Travel & Leisure Acquisitions

North American



European & Other





Internet Market

Deal spotlights

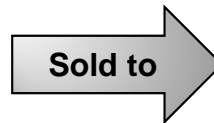
Since Q4

Feb. 2015

Corum Analysis

EV / Sales

thetrainline.com
your first stop for train tickets



KKR

Sales valuations far from but more facing nds.

Target: Trainline
Acquirer: KKR

- Rail ticket provider for UK consumers and businesses

upward by hot like

EV / EBITDA

Travel & Leisure undergoing consolidation wave.



Infrastructure Software Market

Public Valuation Multiples

Since Q4

Feb. 2015

Corum Analysis

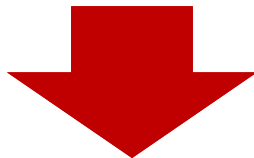
EV
Sales



4.0x

Small dip cushioned by rising importance and value of security.

EV
EBITDA



15.8x

Retreating to summer '14 levels as focus shifts to market share value in changing environment.



Infrastructure Software Market

Deal spotlight



Sold to



Target: Porticor [Israel]
Acquirer: Intuit

- SaaS data encryption company

EV

Sale

analysis

enhanced
importance
security.



Sold to



Target: Voltage Security
Acquirer: Hewlett-Packard
Value: \$175M

- Encryption software provider offering protection across enterprise, cloud, mobile and big data environments

EV

EBITDA

summer
focus
market share
gaining



Infrastructure Software Market

Deal spotlight



Sold to



Target: Identity Finder
Acquirer: Inverness Graham

- Provides anti-data breach and leakage software

EV

Sale

analysis

enhanced
importance
security.



Sold to



Target: Intellinx [Israel]
Acquirer: Bottomline Technologies
Value: \$85M

- Enterprise fraud detection software

EV

EBITDA

summer
focus
market share
gaining



Infrastructure Software Market

Deal spotlight

Since Q4

Feb. 2015

Corum Analysis

Small dip cushioned importance security.

summer focus

shifts to market share value in changing environment.

EV / Sales

EV / EBITDA



Sold to



Target: Younited [F-Secure] [Finland]
Acquirer: Synchronoss Technologies
Value: \$60M

- Cloud storage solutions provider



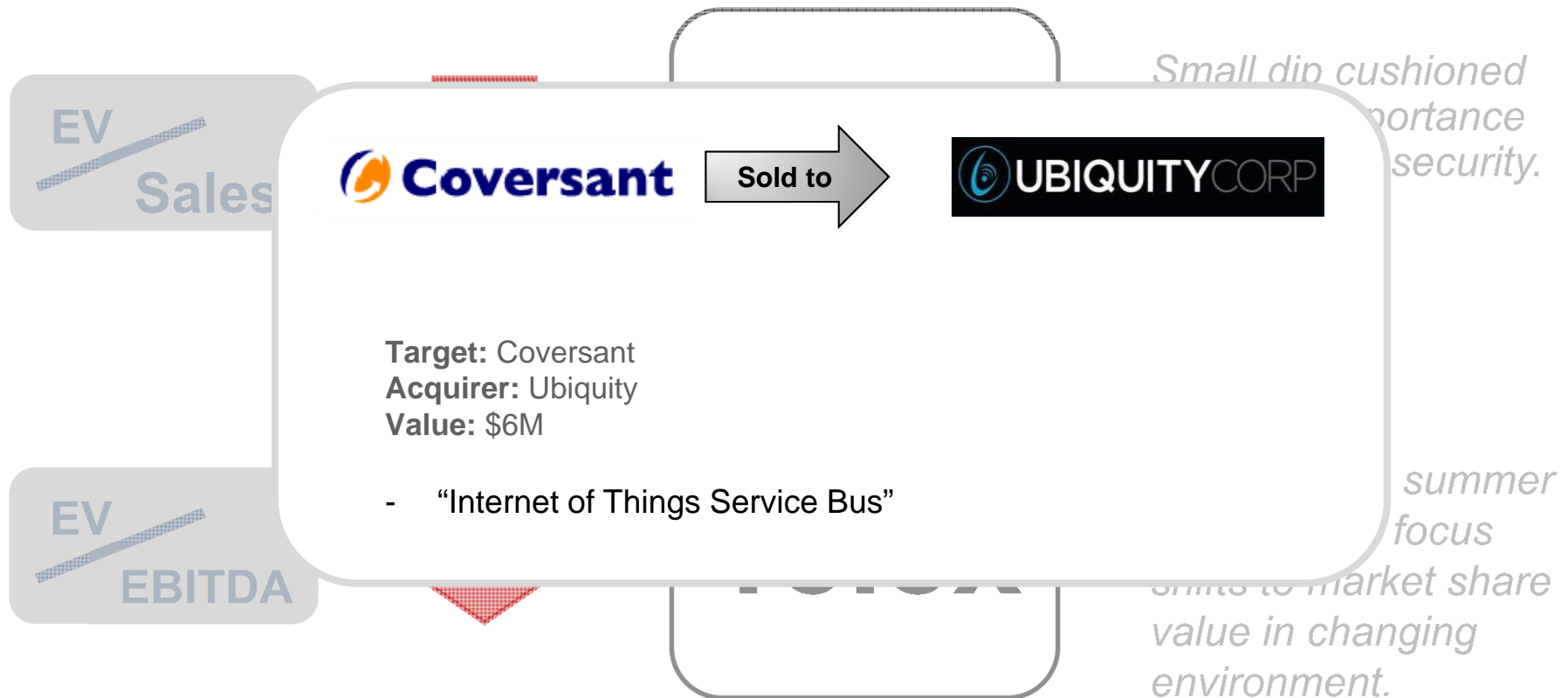
Infrastructure Software Market

Deal spotlight

Since Q4

Feb. 2015

Corum Analysis





IT Services Market

Public Valuation Multiples

Since Q4

Feb. 2015

Corum Analysis



0.89x

Steady growth in valuations since Q3 2014.



9.8x

Uptick matches Sales valuation growth.



IT Services Market

Deal spotlights

CBT

Sold to



HITACHI

Target: Cosmic Blue Team [Italy]
Acquirer: Hitachi

EV

Sales

oxya

Sold to



HITACHI

Target: oXya [France]
Acquirer: Hitachi

EV

EBITDA

- Hitachi has retained the 800 employees between CBT and oXya, strengthening its European position

analysis

growth in
since

Q3 2014.

atches
uation



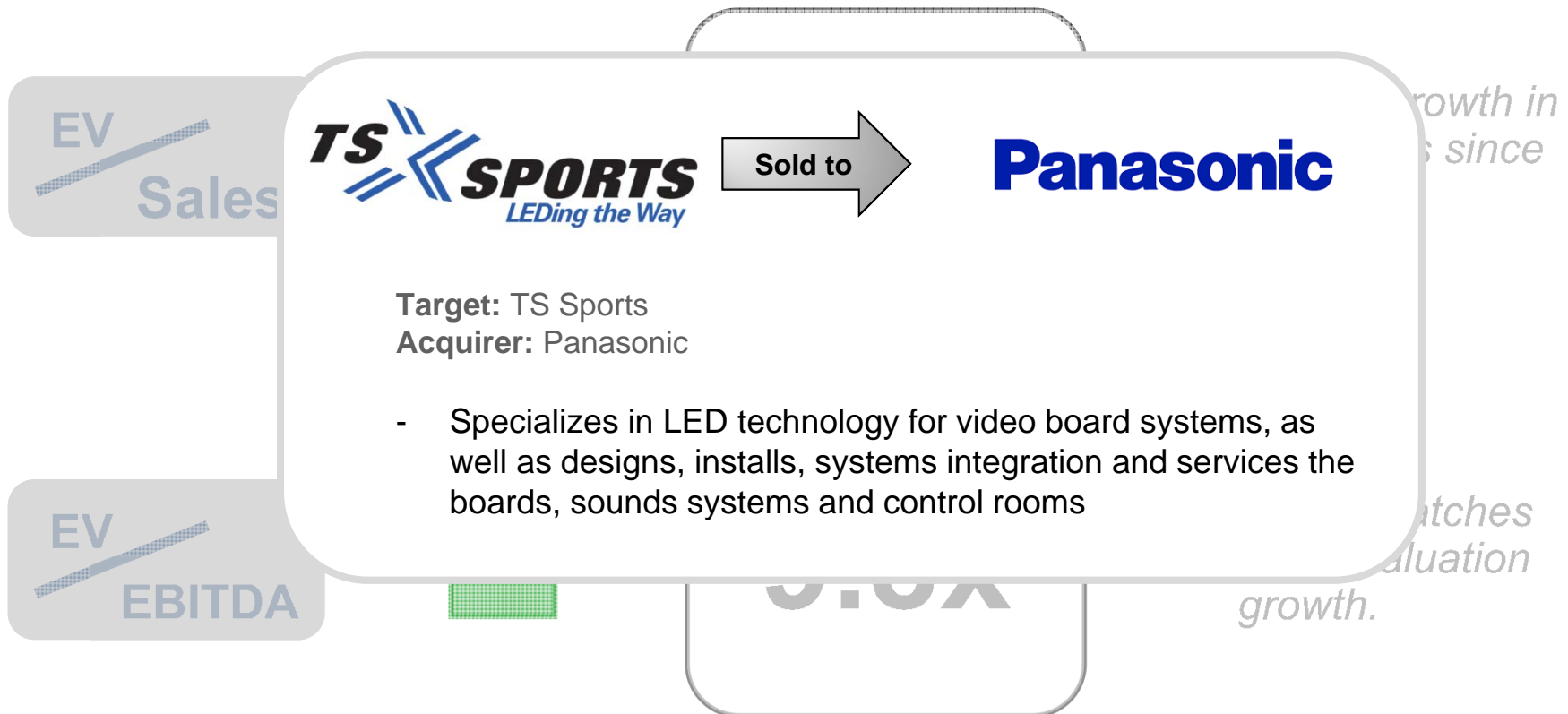
IT Services Market

Deal spotlights

Since Q4

Feb. 2015

Corum Analysis



Corum Research Report



Elon Gasper
Vice President,
Director of Research



Amber Stoner
Senior Analyst

Seller Conversation



Nat Burgess
President
Corum Group Ltd.



Kevin Linden
CEO/CO-founder
EmailDirect – sold to j2 Global

Q&A

- We welcome your questions!
 - Use Q&A window on left side
 - Submit to queue at any time
 - Ask “all panelists” – see “ask” option above text-entry box

Upcoming Conference Schedule

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Apr. 30: **Manchester** – MB

Mar. 31: **Dallas** – MB

May 5: **Riga** – MB

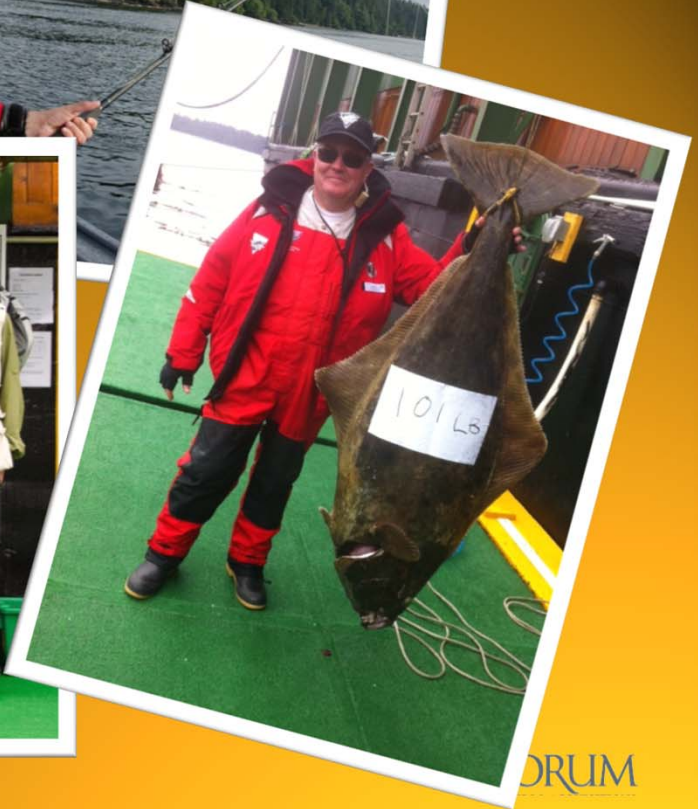
Apr. 2: **Austin** – MB

May 7: **Istanbul** – MB

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After the Deal – Celebration





www.corumgroup.com