



Global Tech M&A Monthly

Q2: 2014 Quarterly Report

17 July 2014

Moderator



Bruce Milne
CEO
Corum Group Ltd.

A leader in the software industry, Bruce has founded or owned four software companies, including the largest vertical market software company, 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 – Astute
- Top Ten Tech Trend – Enmeshed Systems and Atego
- Special Report - UK
- Midyear Research Report
- Six Global Concerns
- Six Personal/Company Concerns
- Closing Thoughts
- Q&A

Field Report - Astute



Ed Ossie
Regional Director
Corum Group



Ed has over 30 years of international experience serving high-growth technology companies and has spent the last 20 years in chief operating and chief executive roles. During this time, Ed has become known for his ability to design, build and execute multi-year growth strategies with a highly engaged team.

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

Ed graduated with a Bachelor of Science degree from Missouri State University and attended select Executive Programs at Stanford Graduate School of Business.

Top Ten Tech Trend – Enmeshed Systems



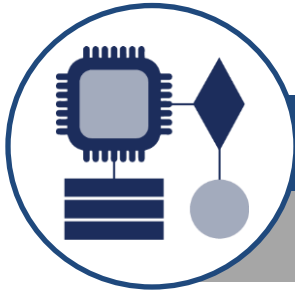
Nat Burgess
President
Corum Group Ltd.



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.

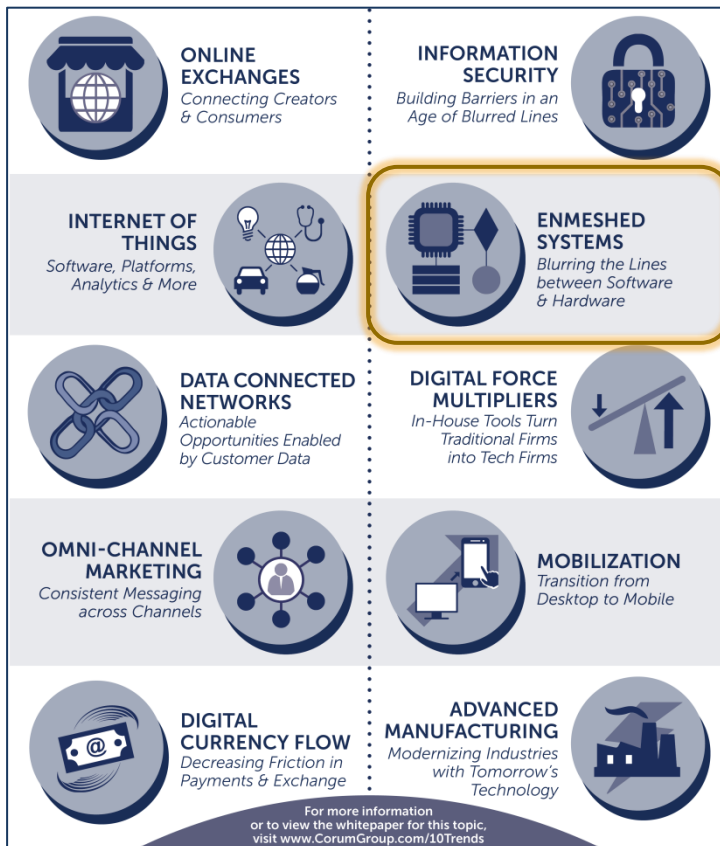
After Morgan Stanley, Nat co-founded Postcard Software, a creator of advertiser-driven bilingual (English and Japanese) Internet content. At Activision, Nat led the company's on-line business development.

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.



Enmeshed Systems

Blurring the Lines between Software & Hardware



- The line between software and hardware continues to blur
- Beyond “embedded” systems those so enmeshed that it is hard to tell where one ends and the other begins
- Can be seen in consumer devices, the sensors making up the Internet of Things, the next-generation electronics in aircraft, automobiles and the overall industrial Internet.

UK Tech M&A



Jon Scott
Senior Vice President



John Simpson
Vice President

Representative Corum Transactions



Atego provides mission-critical, embedded software development solutions

PTC Inc.: USA
Atego: United Kingdom



Crane is a value-added distributor of voice, data and converged communications solutions

Datatec Group on behalf of
Westcon Group: South Africa
Crane Telecommunications:
United Kingdom



Resonate enables organizations to visualize unstructured data as part of their ECM solutions

Open Text: Canada
Resonate KT: UK



A global provider of 3D digital designs in the building, plant and marine markets

Autodesk: USA
Navisworks: United Kingdom



360 Scheduling is the provider of mobile workforce scheduling and optimization software

360 Scheduling: UK
IFS: Sweden



iView Multimedia provides photo and digital asset management software applications

Microsoft: USA
iView Multimedia: United
Kingdom

UK Tech M&A



183 Deals in 1H:2014*



54% cross border



**81% with
US acquirer**

*As reported by 451 Group

Top Deal



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.

Financial Services



Sold to



Target: TDX Group [UK]
Acquirer: Equifax
Transaction Value: \$327 million

- Debt collection and revenue management SaaS.



Sold to



Target: thinkFolio [UK]
Acquirer: Markit Group [UK]
Transaction Value: \$90.6 million

- Front-office portfolio and trade management SaaS for hedge fund managers and investment banks.

Corum Research Report



Elon Gasper
Vice President,
Director of Research



Alina Soltys
Senior Analyst



Amber Stoner
Senior Analyst



Laura Duren
Analyst



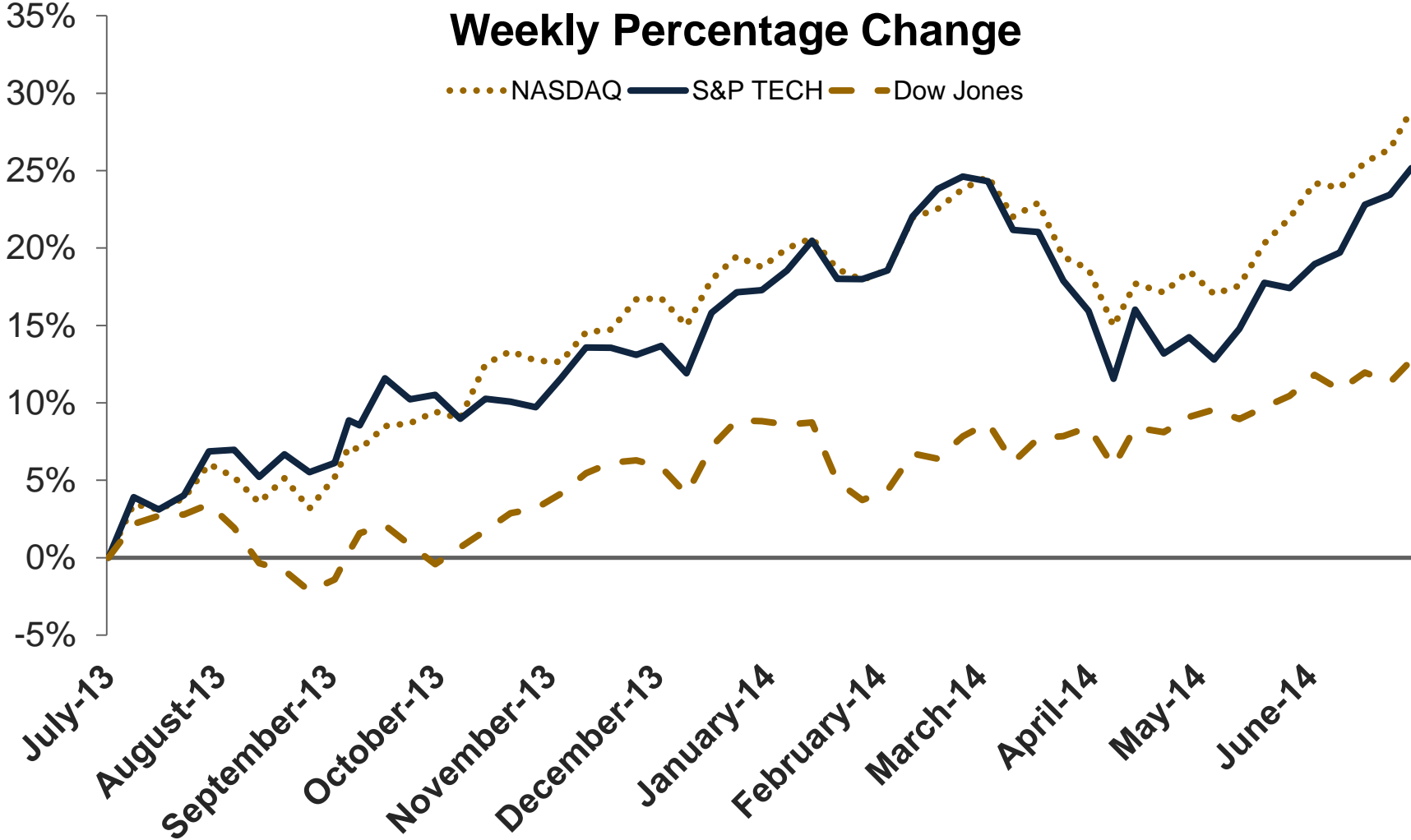
Erin Sanchez
Analyst



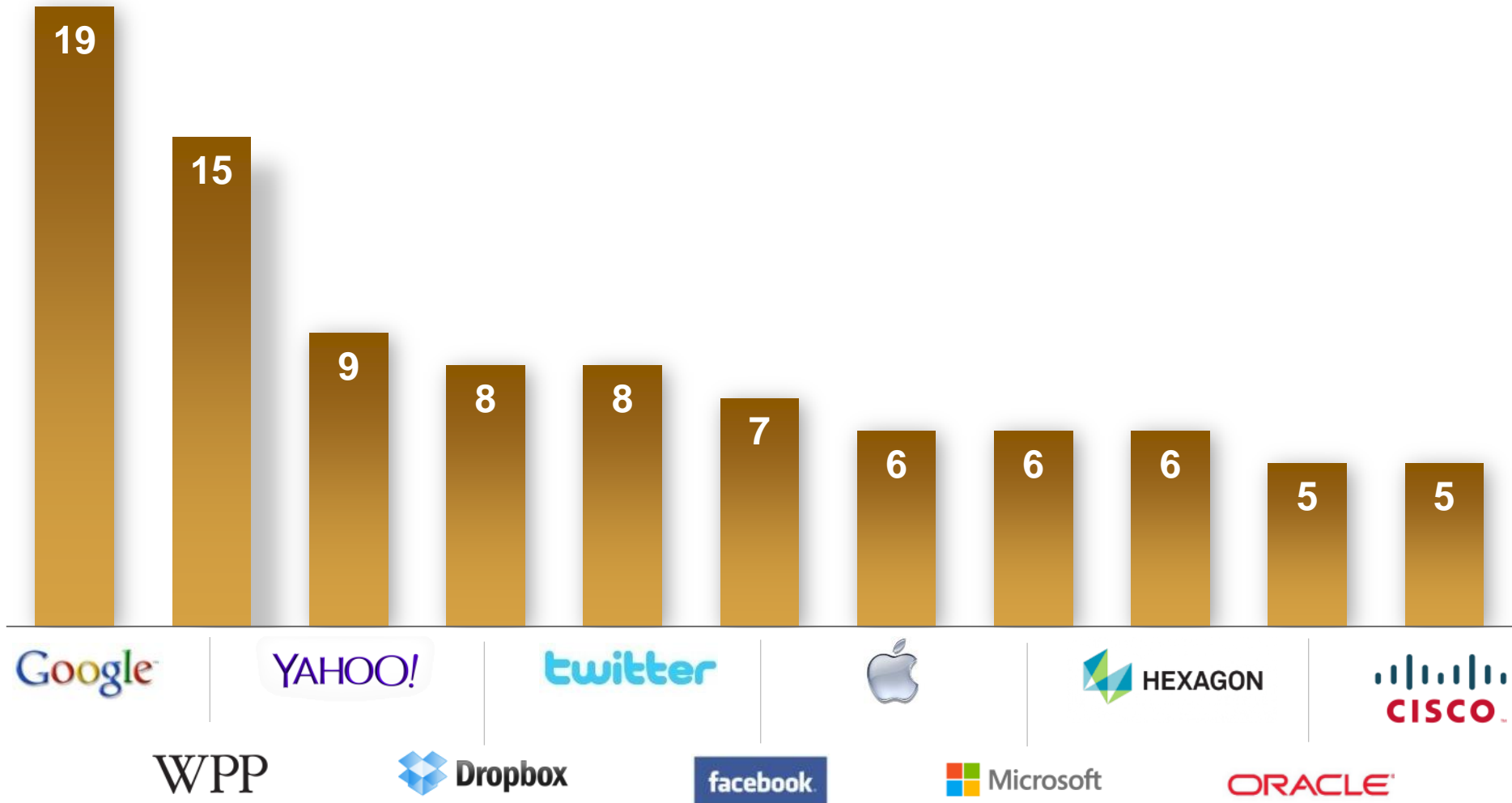
Tyler Vickers
Research Analyst

Public Markets












Weekly Percentage Change



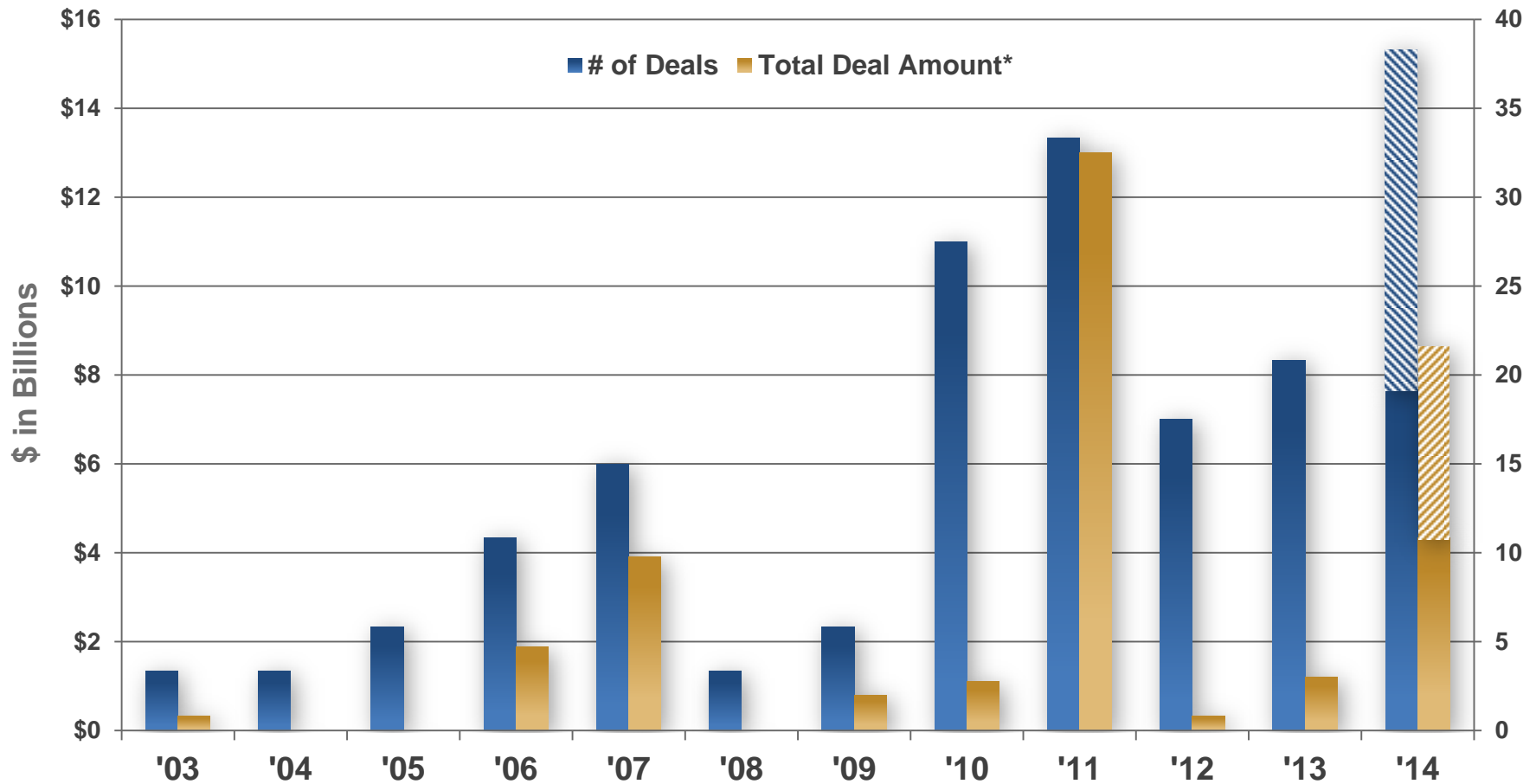
Top Strategic Acquirers: 1H 2014



Buyer Leaderboard Rotation 2013 - 2014

Change		1H 2013	1H 2014
 650%	WPP	2	15
 500%	Apple	1	6
 280%	Google	5	19
 100%	Dropbox	4	8
 67%	Oracle	3	5
 50%	Hexagon	4	6
 50%	Microsoft	4	6
 33%	Twitter	6	8
 17%	Facebook	6	7
 -29%	Cisco	7	5
 -31%	Yahoo!	13	9

11 Years of GoogleTech M&A

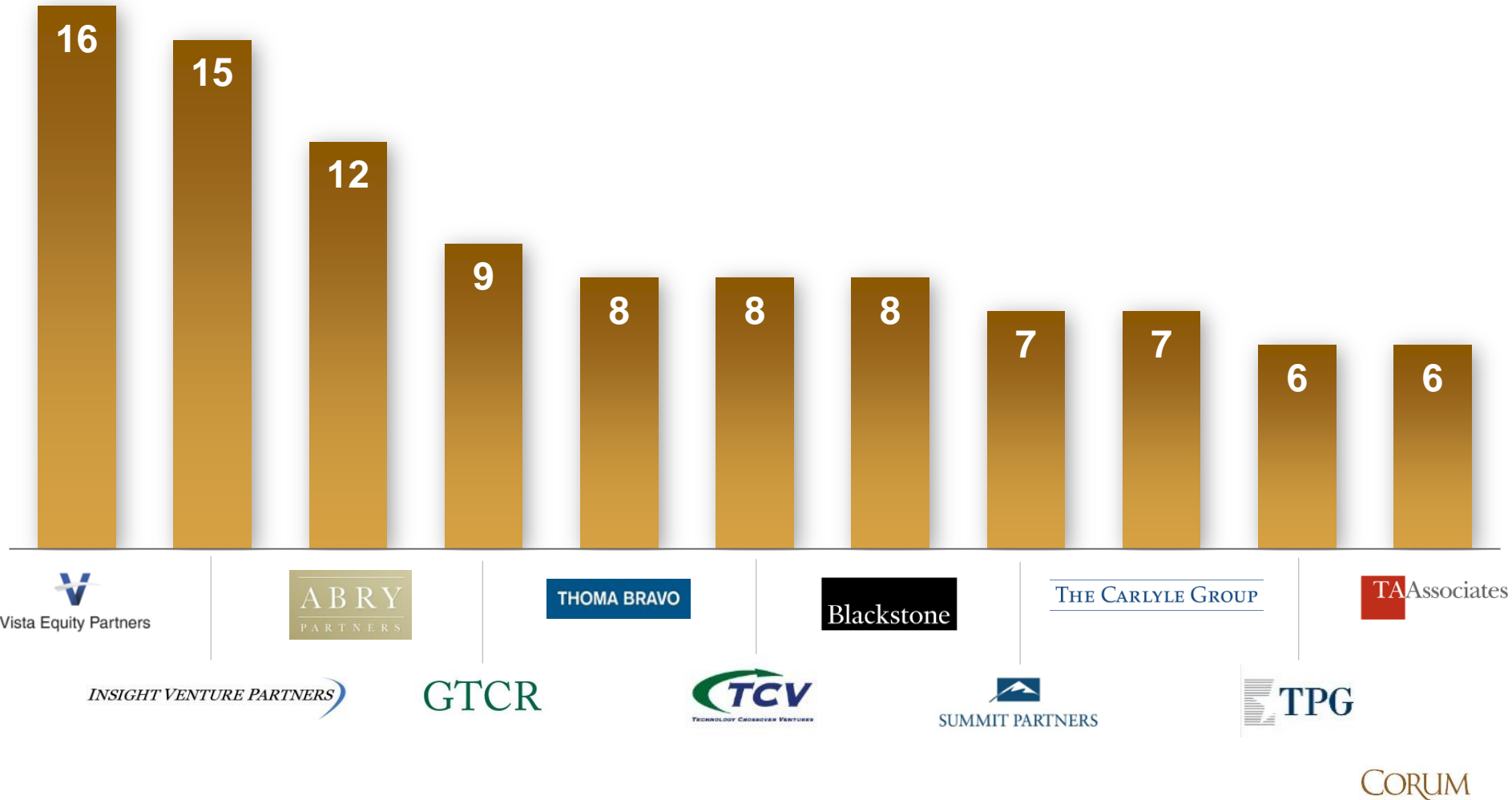


Source: 451 Research

*Reported & estimated deal value

CORUM

Top Private Equity Acquirers: 1H 2014



Corum Index

	1H:2013	1H:2014
# of Transactions	1584	1811
# of Mega Deals	12	19
Largest Deal	\$24.8B	\$19.0B
Private Equity Deals	87	99
# VC backed Exits	351	360
% Cross Border Transactions	31%	33%
% of Startup Acquisitions	13%	11%
Average Life of Target	14	15

Mega Deals – 1H:2014



Corum Index – Megadeals

micros[®]

Sold to

ORACLE[®]

Sector: Management Systems

Target: MICROS Systems

Acquirer: Oracle

Transaction Value: \$5.3 billion

- 3.5x revenue multiple.
- PoS systems, e-commerce and transaction processing software.
- Hopes to leverage relationship in restaurant and hotel industries.

Corum Index – Megadeals



MOTOROLA

Sold to



Sector: Mobility

Target: Motorola Solutions (Enterprise Business)

Acquirer: Zebra Technologies Corporation

Transaction Value: \$3.45 billion

- 1.4x revenue multiple
- Mobile phones, smart phones and wireless infrastructure hardware and software.

Corum Index – Megadeals



Sold to



Sector: Reservations

Target: OpenTable

Acquirer: Priceline.com

Transaction Value: \$2.6 billion

- 12.5x revenue multiple
- Restaurant reservation and management software.
- Only 2nd time Priceline has spent over \$200 million on an acquisition.

Corum Index – Megadeals

AutoNavi

Sold to

 **Alibaba.com®**

Sector: Mobility

Target: AutoNavi Holdings [China]

Acquirer: Alibaba Group [China]

Transaction Value: \$1.58 billion

- 7.5x revenue multiple
- Digital map data and location-based software for automakers, mobile device manufacturers, government agencies and consumers in China.

Europe	
Sellers	424
Buyers	342

Asia	
Sellers	87
Buyers	86

North America	
Sellers	1176
Buyers	1306

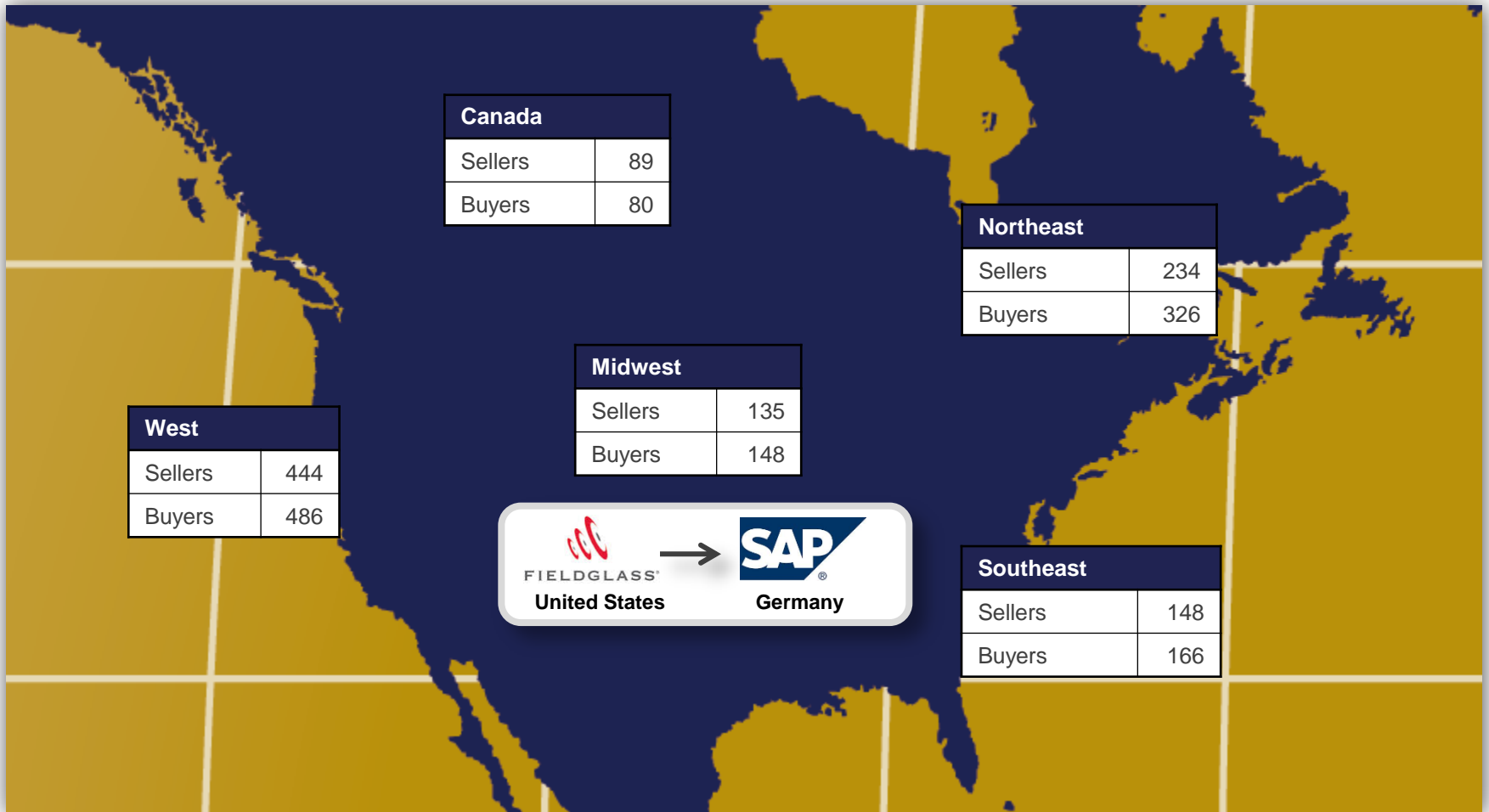
Mideast/Africa	
Sellers	24
Buyers	12

Latin America	
Sellers	19
Buyers	4

CORUM

Source: 451 Research

North American Deals



European Deals



Latin American Deals



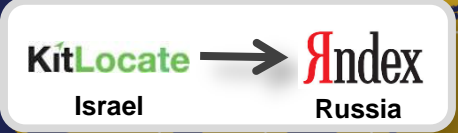
Asian Deals



Europe	
Sellers	424
Buyers	342

Asia	
Sellers	87
Buyers	86

North America	
Sellers	1176
Buyers	1306



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Sellers	19
Buyers	4

CORUM

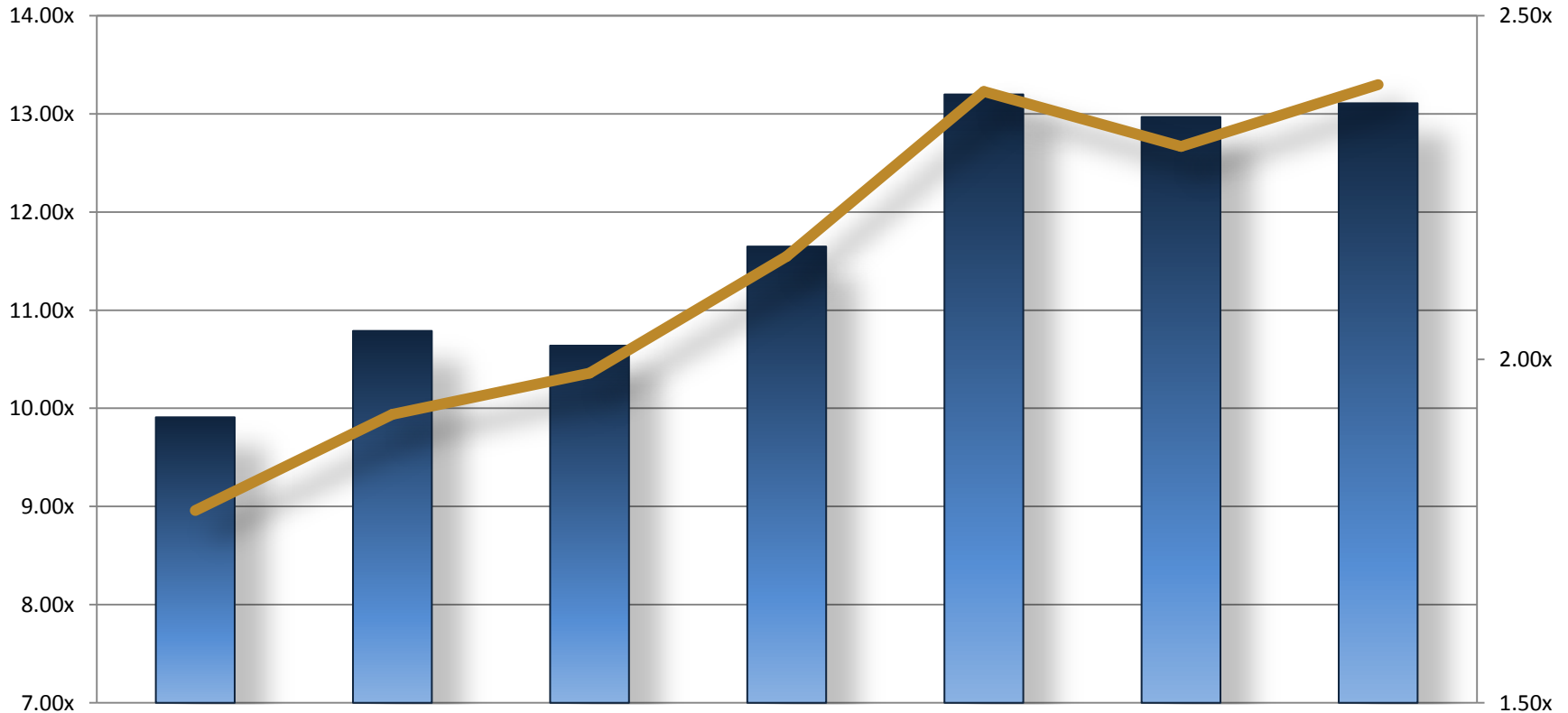
Source: 451 Research



Aggregate Six Markets

EV/EBITDA

EV/Sales



	Q4:12	Q1:13	Q2:13	Q3:13	Q4:13	Q1:14	Q2:14
EV/EBITDA	9.91x	10.79x	10.64x	11.65x	13.20x	12.97x	13.11
EV/S	1.78x	1.92x	1.98x	2.15x	2.39x	2.31x	2.40

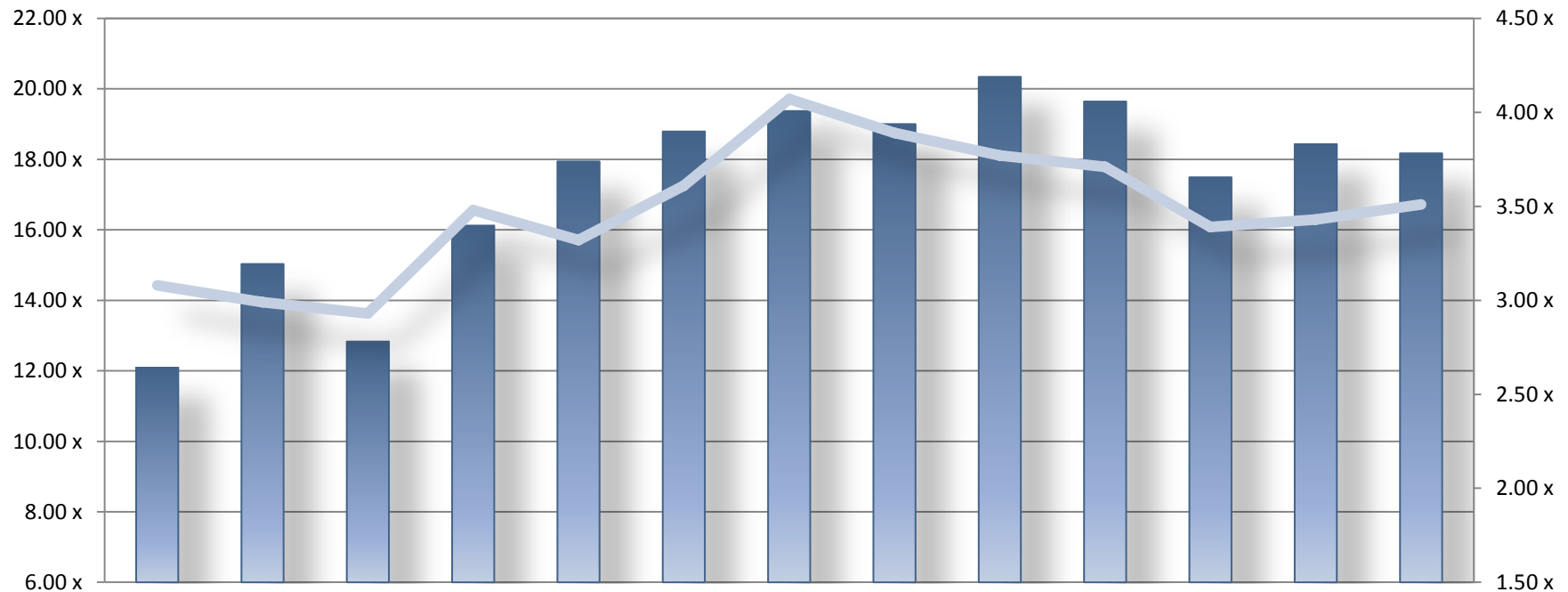


Horizontal Application Software Market

Public Valuation Multiples

EV/EBITDA

EV/Sales



	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
EV/EBITDA	12.09 x	15.03 x	12.83 x	16.12 x	17.94 x	18.79 x	19.37 x	19.00 x	20.34 x	19.64 x	17.49 x	18.43 x	18.17 x
EV/S	3.08 x	2.99 x	2.93 x	3.48 x	3.32 x	3.61 x	4.07 x	3.89 x	3.77 x	3.71 x	3.39 x	3.43 x	3.51 x



Horizontal Application Software Valuations

Subsector		Sales	EBITDA	Examples		
Business Intelligence	—	2.68x	21.44x			
Human Resources	↑	4.53x	60.41x			
SCM	↓	6.94x	28.44x			
Communications	—	1.82x	19.35x			
ERP	—	3.36x	10.72x			
CRM	↓	2.57x	41.16x			
Content Mgmt.	↑	4.62x	18.12x			
Horizontal Other	↓	4.78x	21.10x			



Horizontal Application Software Market

Deal Spotlight

EV/EBIT



EV/Sales

4.50 x

4.00 x

3.50 x

3.00 x

2.50 x

2.00 x

1.50 x

Sector: Business Intelligence

Target: Adometry

Acquirer: Google

Transaction Value: Estimated at \$150 million in cash

- TTM Revenue multiple of 7.5x.
- Online advertising analytics and customer analytics SaaS.
- Comes as Google faces slowdown in part of its ad business.





Horizontal Application Software Market

Deal Spotlight

EV/EBITDA

EV/Sales

BRANDIFY

Sold to

where2get ▶ it®

4.50 x

4.00 x

3.50 x

3.00 x

2.50 x

2.00 x

1.50 x

Sector: Business Intelligence
Target: Brandify
Acquirer: Where 2 Get It, Inc.
Transaction Value: Undisclosed

- SaaS that scores businesses' marketing, advertising and brand awareness.
- Brandify's Brand Score bridges the gap between online and offline by providing real-time local insights.

EV/EBITDA



Horizontal Application Software Market

Deal Spotlight

EV/EBITDA



Sold to

[a·mo·bee]

EV/Sales

4.50 x

4.00 x

3.50 x

3.00 x

2.50 x

2.00 x

1.50 x

Sector: Business Intelligence

Target: Kontera

Acquirer: Amobee, Inc.

Transaction Value: \$150 million

- Online and social media content analytics and data aggregation SaaS that measures consumer trends.
- Takes Amobee beyond offering mobile advertising products and into selling advertisers the capability to reach intended audience across digital mediums.





Horizontal Application Software Market

Deal Spotlight

EV/EBIT



EV/Sales

4.50 x

4.00 x

3.50 x

3.00 x

2.50 x

2.00 x

1.50 x

Sector: Business Intelligence
Target: Medio Systems, Inc.
Acquirer: HERE/Nokia [Finland]
Transaction Value: Undisclosed

- Predictive customer analytics SaaS to enable Web usage pattern-focused location-based advertisements and recommendations to smartphone users.
- Strengthens platform to deliver more personal experiences in cars, on mobile devices and to businesses.



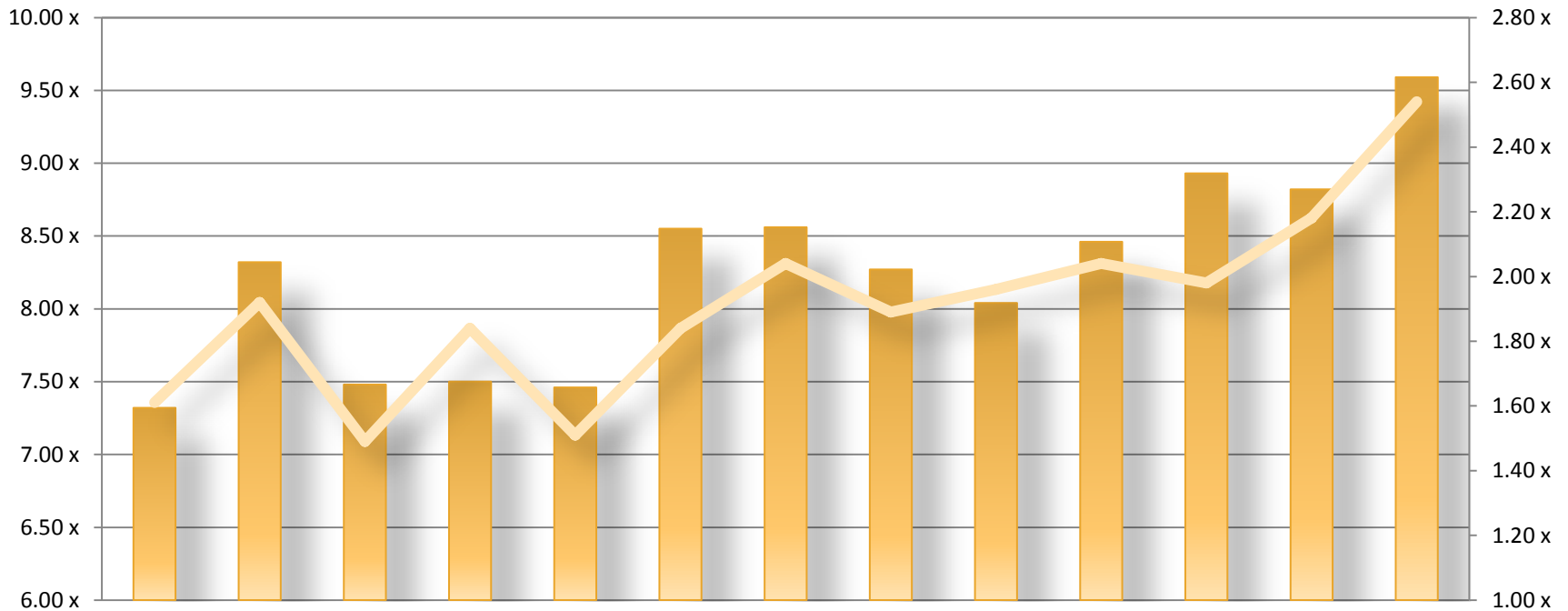


Consumer Application Software Market

Public Valuation Multiples

EV/EBITDA







EV/Sales



	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
EV/EBITDA	7.32 x	8.32 x	7.48 x	7.50 x	7.46 x	8.55 x	8.56 x	8.27 x	8.04 x	8.46 x	8.93 x	8.82 x	9.59 x
EV/S	1.61 x	1.92 x	1.49 x	1.84 x	1.51 x	1.84 x	2.04 x	1.89 x	1.96 x	2.04 x	1.98 x	2.18 x	2.54 x



Consumer Application Software Valuations

Subsector		Sales	EBITDA	Examples		
Digital Content	↓	1.47x	37.42x	 Adobe		
Video Games	↑	2.54x	8.29x	 網易 NETEASE WWW.163.COM		



Consumer Application Software Market

Deal Spotlight

PokerStars

Sold to

AMAYA

Sector: Video Games

Target: Rational Group Ltd (dba PokerStars.co) [Isle of Man]

Acquirer: Amaya Gaming Group [Canada]

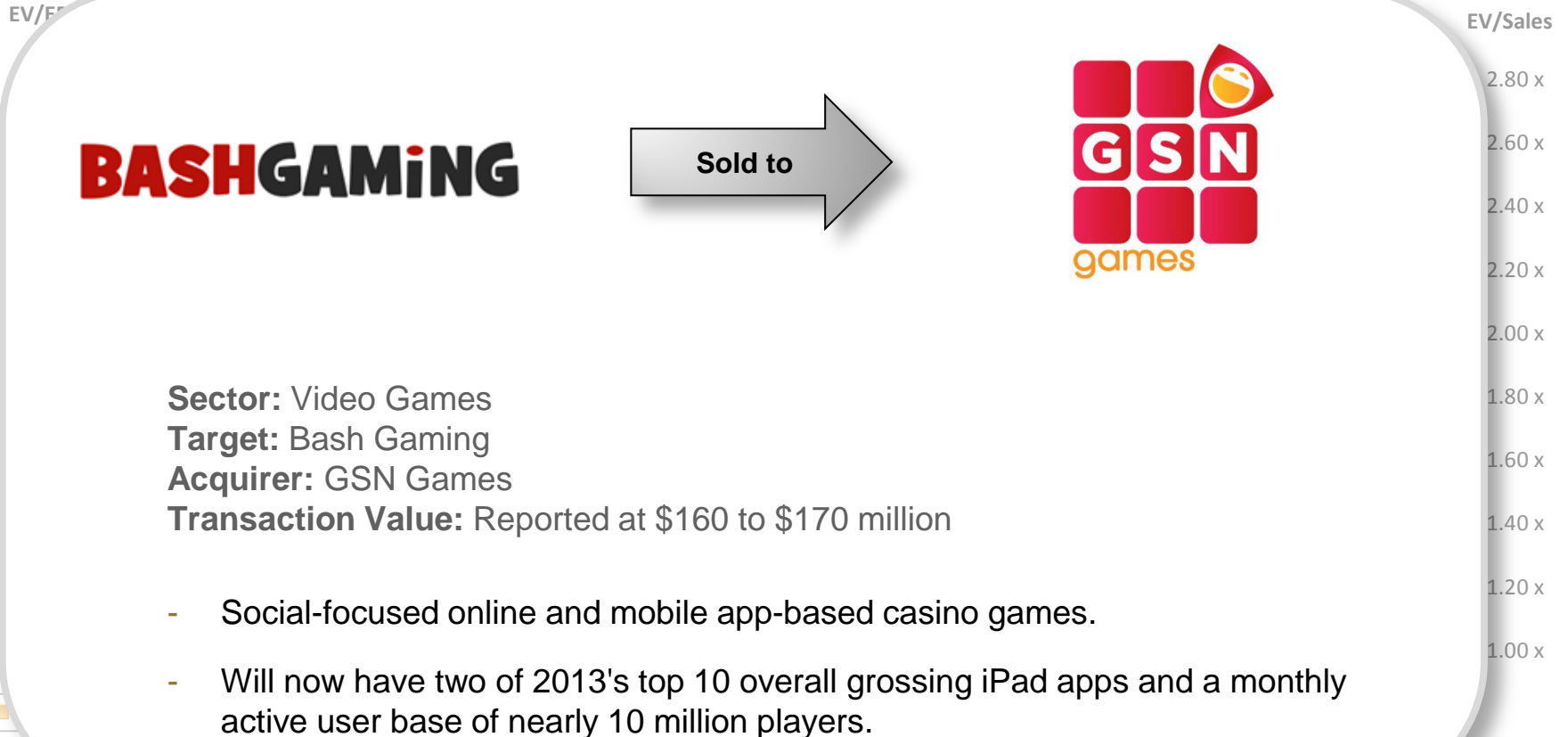
Transaction Value: \$4.9 Billion

- Increases revenue eightfold and gains benefit of US brand recognition and casino partnerships for its existing online gaming and casino supply business.
- Strengthens core B2B operations with a consumer online powerhouse that creates a scalable global platform for growth.



Consumer Application Software Market

Deal Spotlight





Consumer Application Software Market

Deal Spotlight



Sector: Video Games

Target: Phoenix Age

Acquirer: Kabam

Transaction Value: Approximately \$90 million

- Kabam's first 2014 acquisition extends them into new genres.
- Popular titles include "Castle Age" and "Underworld Empire."

EV/Sales

2.80 x

2.60 x

2.40 x

2.20 x

2.00 x

1.80 x

1.60 x

1.40 x

1.20 x

1.00 x



Consumer Application Software Market

Deal Spotlight



Sold to



Sector: Video Games
Target: Oculus VR, Inc.
Acquirer: Facebook
Transaction Value: \$2 billion

- Virtual reality-focused head-mounted displays used as part of an immersive gaming environment.
- Plans to extend Oculus' existing advantage in gaming to new verticals.

EV/Sales

2.80 x

2.60 x

2.40 x

2.20 x

2.00 x

1.80 x

1.60 x

1.40 x

1.20 x

1.00 x



Consumer Application Software Market

Deal Spotlights

EV/EBIT

10.00

9.50

9.00

8.50

8.00

7.50 x

7.00

6.50

6.00

EV/EBIT

EV/S



Sold to



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

- Outsourced hardware design and technology product R&D and engineering services.

EV/Sales

2.80 x

2.60 x

2.40 x

2.20 x

2.00 x

1.80 x

1.60 x

1.40 x

1.20 x

1.00 x

14

x

x



Sold to



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

- Plug-in based, open source, cross-platform C++ networking middleware software engine for video game developers and programmers.

CORUM

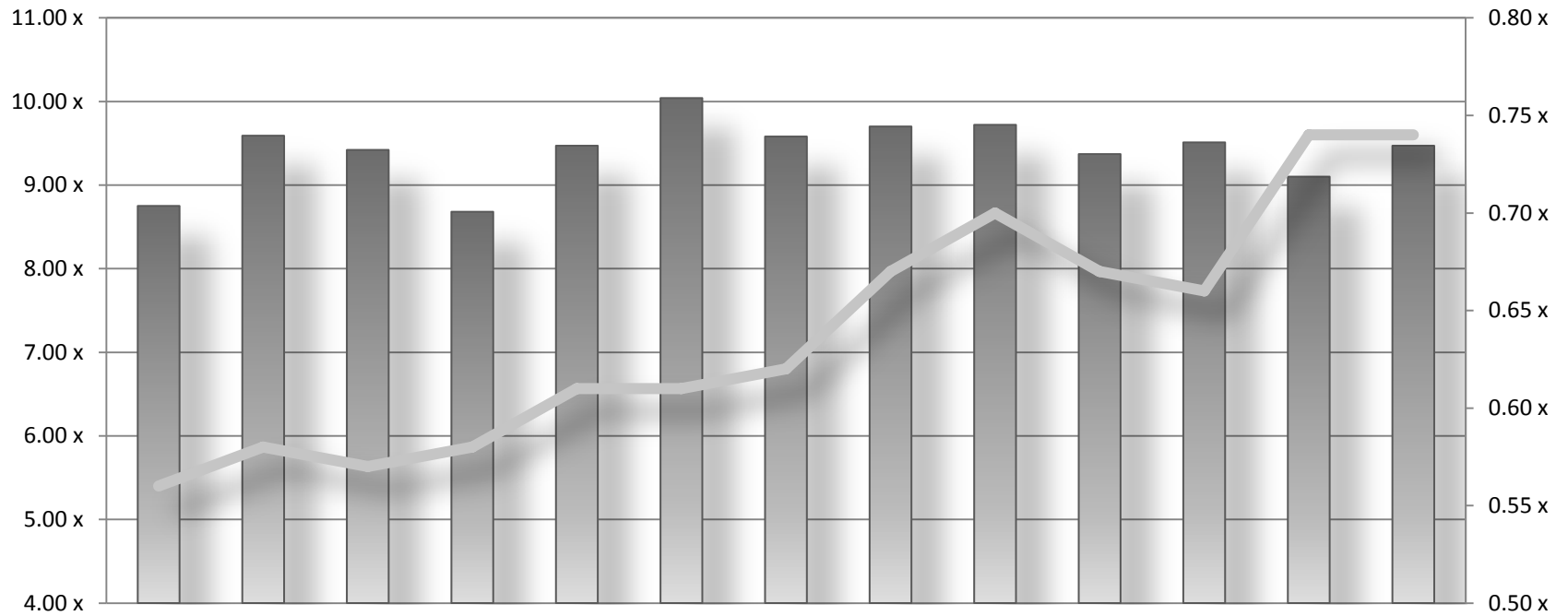


IT Services Market

Public Valuation Multiples

EV/EBITDA

EV/Sales



	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
EV/EBITDA	8.75 x	9.59 x	9.42 x	8.68 x	9.47 x	10.04 x	9.58 x	9.70 x	9.72 x	9.37 x	9.51 x	9.10 x	9.47 x
EV/S	0.56 x	0.58 x	0.57 x	0.58 x	0.61 x	0.61 x	0.62 x	0.67 x	0.70 x	0.67 x	0.66 x	0.74 x	0.74 x

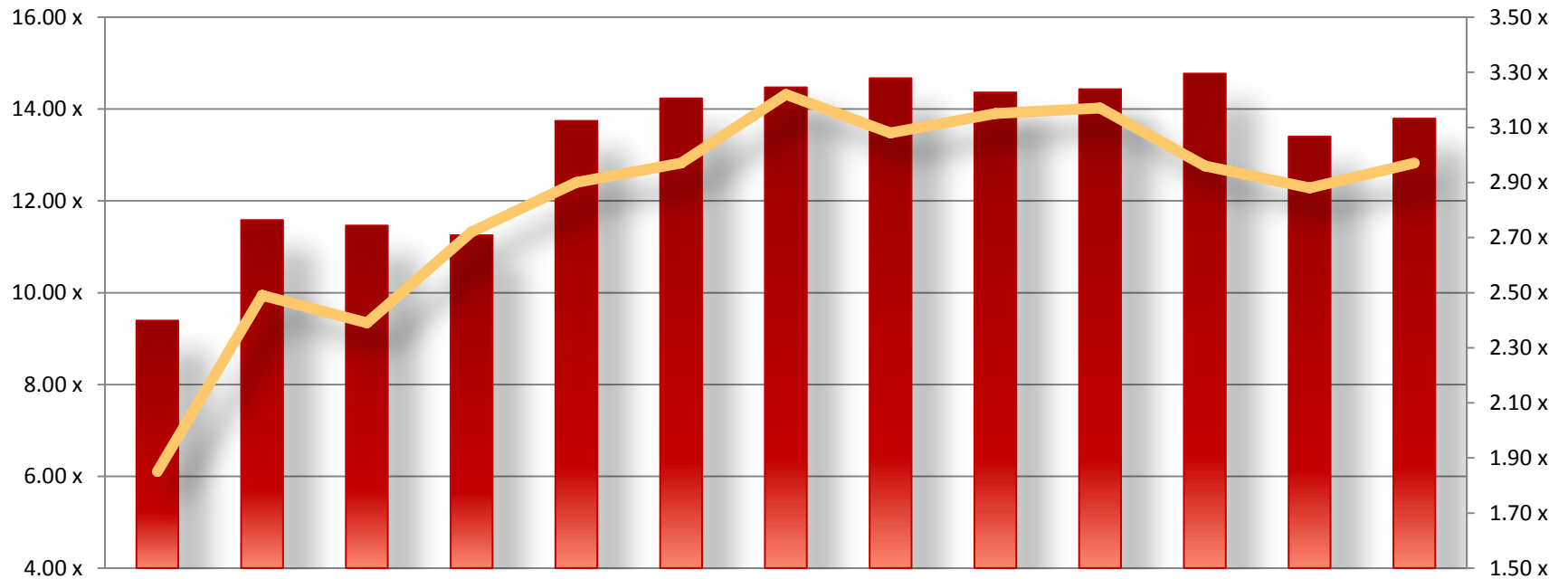


Asian IT Services Market

Public Valuation Multiples

EV/EBITDA

EV/Sales



	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
EV/EBITDA	9.39 x	11.58 x	11.46 x	11.25 x	13.74 x	14.23 x	14.47 x	14.67 x	14.36 x	14.43 x	14.77 x	13.40 x	13.79 x
EV/S	1.85 x	2.49 x	2.39 x	2.72 x	2.90 x	2.97 x	3.22 x	3.08 x	3.15 x	3.17 x	2.96 x	2.88 x	2.97 x



IT Services Market

Deal Spotlight

EV/EBITDA

EV/Sales



Target: Ventura Solutions
Acquirer: Boeing Company
Transaction Value: Undisclosed

- Outsourced design, development and engineering of a variety of hardware, software and Redhawk radio systems.
- Continues enhancement of information and security capabilities.

EV/
EV/



IT Services Market

Deal Spotlight

EV/EBITDA

EV/Sales

Sold to

Target: Bull SAS [France]

Acquirer: Atos SE [France]

Transaction Value: \$847.4 million

- Cloud migration consulting, integration, monitoring and mainframe and computing systems distribution services.
- Step to anchor European market in cloud, Big Data and Cybersecurity.

EV/EBITDA
EV/Sales



IT Services Market

Deal Spotlight

EV/EBITDA

EV/Sales



Sold to



Target: Cobra Automotive Technologies [Italy]

Acquirer: Vodafone Group [UK]

Transaction Value: \$145.3 million

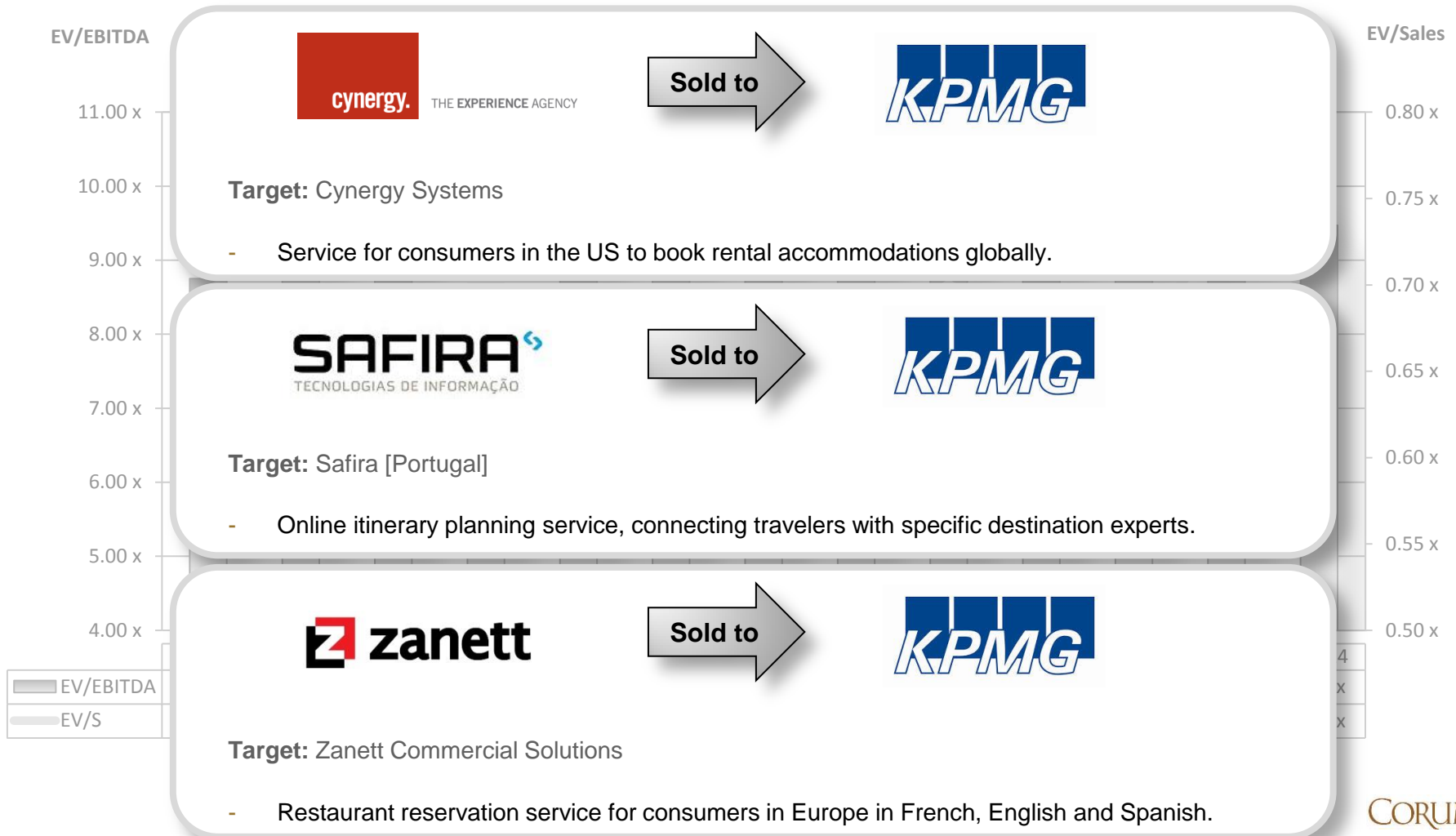
- Security and telematics solutions to the automotive and insurance industries.
- Aligns with strategy to expand its M2M capability beyond connectivity.

EV/EBITDA
EV/Sales



IT Services Market

Deal Spotlights: KPMG



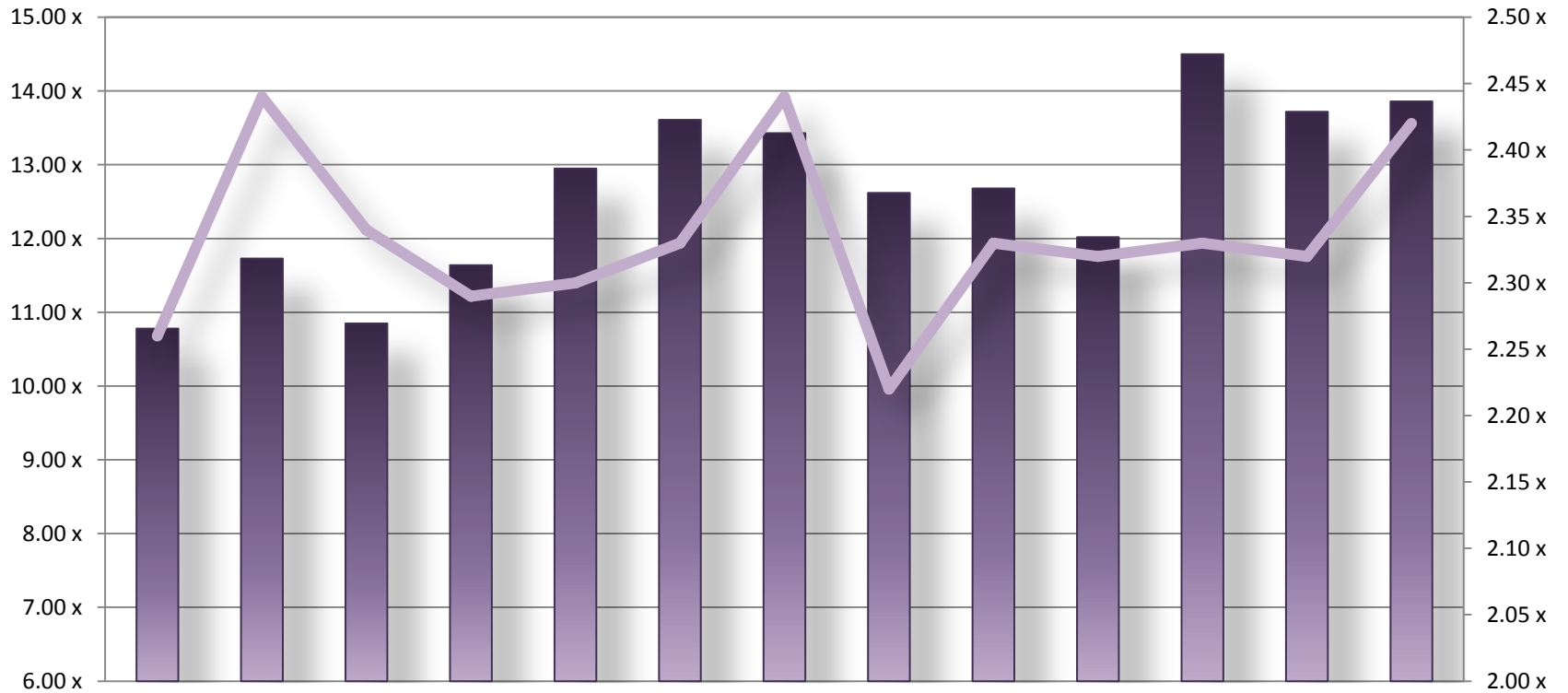


Infrastructure Software Market

Public Valuation Multiples

EV/EBITDA

EV/Sales



	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
EV/EBITDA	10.78 x	11.73 x	10.85 x	11.64 x	12.95 x	13.61 x	13.43 x	12.62 x	12.68 x	12.02 x	14.50 x	13.72 x	13.86 x
EV/S	2.26 x	2.44 x	2.34 x	2.29 x	2.30 x	2.33 x	2.44 x	2.22 x	2.33 x	2.32 x	2.33 x	2.32 x	2.42 x



Infrastructure Software Valuations

Subsector		Sales	EBITDA		Examples
Infrastructure Communications		2.03x	13.91x		
Network Management		4.14x	17.58x		
Storage		1.31x	7.91x		
Development Tools		2.80x	10.62x		
Security		3.82x	17.45x		
Virtualization		4.18x	24.49x		
Legacy/SOA		2.98x	16.57x		
Systems Mgmt.		2.37x	8.30x		



Infrastructure Software Market

Deal Spotlight

EV/EBITDA

EV/Sales



Sector: Security
Target: NetCitadel
Acquirer: Proofpoint
Transaction Value: \$24 million

- TTM Revenue multiple of 24x.
- Security incident response and remediation software enables the early detection of targeted network security breaches and automatic containment response triggering for network administrators.

EV/EBITDA
EV/Sales



Infrastructure Software Market

Deal Spotlight

EV/EBITDA

EV/Sales



BEE WARE
Delivering Confidence in Web Applications

Sold to

denyall
SECURIT SOLUTIONS

Sector: Security
Target: Bee Ware [France]
Acquirer: DenyAll [France]
Transaction Value: Undisclosed

- Web application filtering, authentication and intrusion prevention systems.
- Enables DenyAll to double in size and reach critical mass, add Web SSO capabilities to its portfolio.
- Bee Ware was advised by Corum Group.

EV/EBITDA
EV/Sales



Infrastructure Software Market

Deal Spotlight

EV/EBITD

EV/Sales



Sector: Storage
Target: LSI Corporation
Acquirer: Seagate Technology
Transaction Value: \$450 million

- Assets of accelerated solutions division and flash components division, which manufactures flash and SSD storage system semiconductor components.
- Will take Seagate into the markets for PCIe flash cards and drive controllers sold to third-party makers of flash drives.

EV/S



Infrastructure Software Market

Deal Spotlight



Sold to

SanDisk®

Sector: Storage Management
Target: Fusion-io
Acquirer: SanDisk Corporation
Transaction Value: \$1.1 Billion

- TTM Revenue multiple of 2.8x.
- Flash-based storage memory and solid-state components and drives and storage management software for enterprises.
- Accelerates efforts to enable the flash-transformed data center.



Infrastructure Software Market

Deal Spotlight

Corente

Sold to

ORACLE®

Sector: Virtualization

Target: Corente

Acquirer: Oracle

Transaction Value: Undisclosed

- Cloud-based datacenter WAN virtualization and automation software that enables network operators to manage multiple geographically dispersed cloud environments from one user interface.
- Follow-up to its Acme Packet purchase.

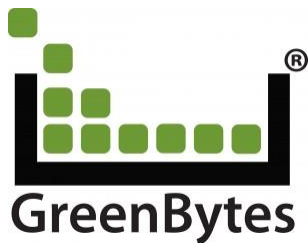


Infrastructure Software Market

Deal Spotlight

EV/EBITDA

EV/Sales



ORACLE®

Sector: Security
Target: GreenBytes
Acquirer: Oracle
Transaction Value: Undisclosed

- Desktop virtualization storage optimization appliances and software for that is built on Oracle's Sun Microsystems ZFS storage appliance.
- Complements Oracle's storage solutions and is expected to enhance Oracle's ZFS Storage Appliances.

EV/S

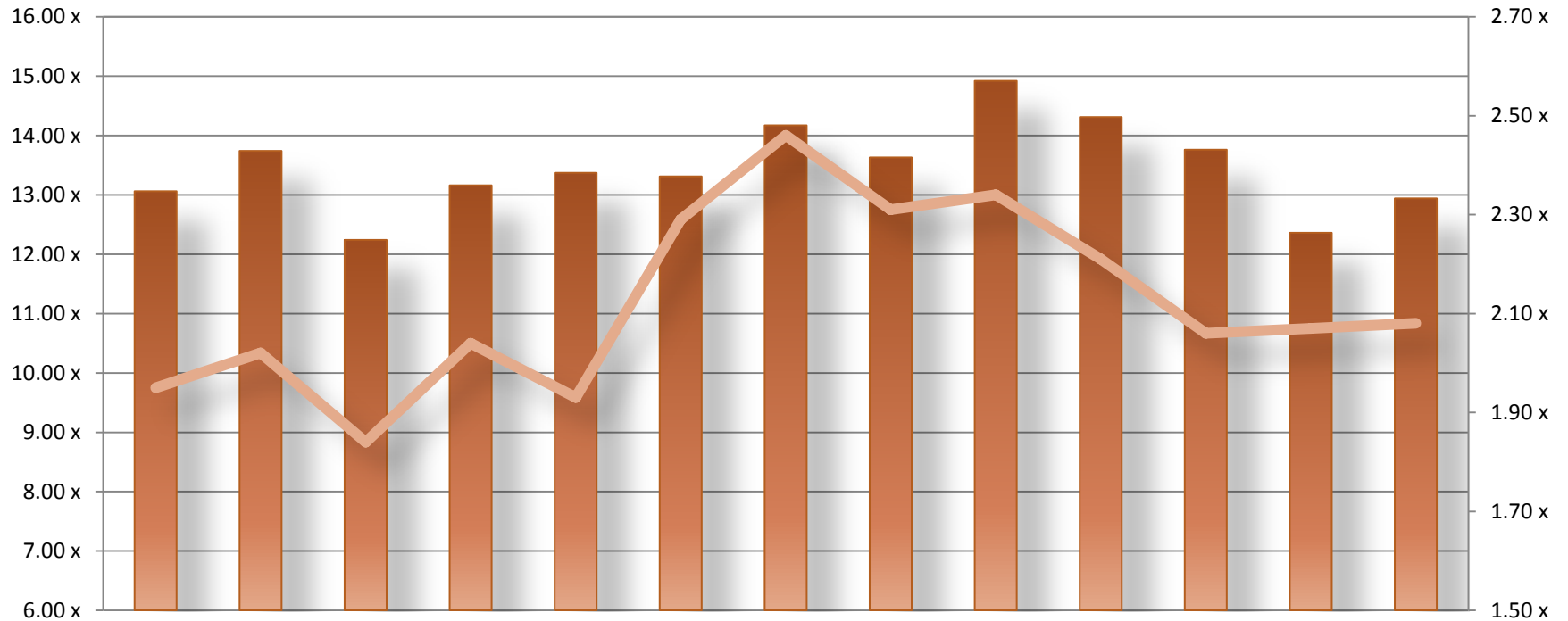


Internet Market

Public Valuation Multiples

EV/EBITDA

EV/Sales



	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
EV/EBITDA	13.06 x	13.74 x	12.24 x	13.16 x	13.37 x	13.31 x	14.17 x	13.63 x	14.92 x	14.31 x	13.76 x	12.36 x	12.94 x
EV/S	1.95 x	2.02 x	1.84 x	2.04 x	1.93 x	2.29 x	2.46 x	2.31 x	2.34 x	2.21 x	2.06 x	2.07 x	2.08 x



Internet Valuations

Subsector		Sales	EBITDA		Examples	
Internet Infrastructure	—	2.08x	10.31x	inuvo.		
Internet Pure Play	↓	2.80x	15.15x	amazon.com.		

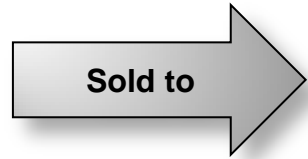


Internet Market

Deal Spotlight

EV/EBITDA

EV/Sales



Sector: Reservation Services
Target: Wotif.com [Australia]
Acquirer: Expedia
Transaction Value: \$658 million

- Accommodation, flight and packaged vacation booking services.
- Extends streak of overseas acquisitions with goal of generating half of its revenue from international markets.
- Have not bought a North America-based business in over 3 years. (Excluding TripAdvisor acquisitions, no longer part of Expedia)

EV/E

EV/S

2.70 x

2.50 x

2.30 x

2.10 x

1.90 x

1.70 x

1.50 x

2.08 x



Internet Market

Deal Spotlight

EV/EBITDA

EV/Sales



HomeExchange.com

Make yourself at home...anywhere in the world

Sector: Travel
Target: Aha! Go
Acquirer: HomeExchange.com
Transaction Value: Undisclosed

- Subscription-based home swapping service for travelers.
- Will gain nearly 5,000 members for a network of more than 50,000 members over 150 countries.

EV/E

EV/S

2.70 x

2.50 x

2.30 x

2.10 x

1.90 x

1.70 x





1.50 x

2.08 x



Select Dropbox Acquisitions



Date	Target	Description
5 - June	 Droptalk	Web-based team collaboration application that enables coworkers to share links by dragging and dropping them into an instant messaging extension and to see files uploaded to shared folders.
17 - April	 Loom	Photo and video storage and management mobile applications and online software.
16 - April	 HACKPAD	Document management and team collaboration SaaS that enables businesses and consumers to share, manage and delegate tasks and documents.
17 - March	 zulip	Web and mobile categorized messaging applications for businesses.



Internet Market

Deal Spotlight

EV/EBITDA

EV/Sales

stream

Sold to

box

2.70 x

2.50 x

2.30 x

2.10 x

1.90 x

1.70 x

1.50 x

Sector: Storage
Target: Stream
Acquirer: Box, Inc.
Transaction Value: Undisclosed

- Cross-platform software, SaaS and online services for audio and video file storage and a related streaming media player.
- Instant access to large volumes of data than what local drives can support.

EV/E

EV/S

2.08 x

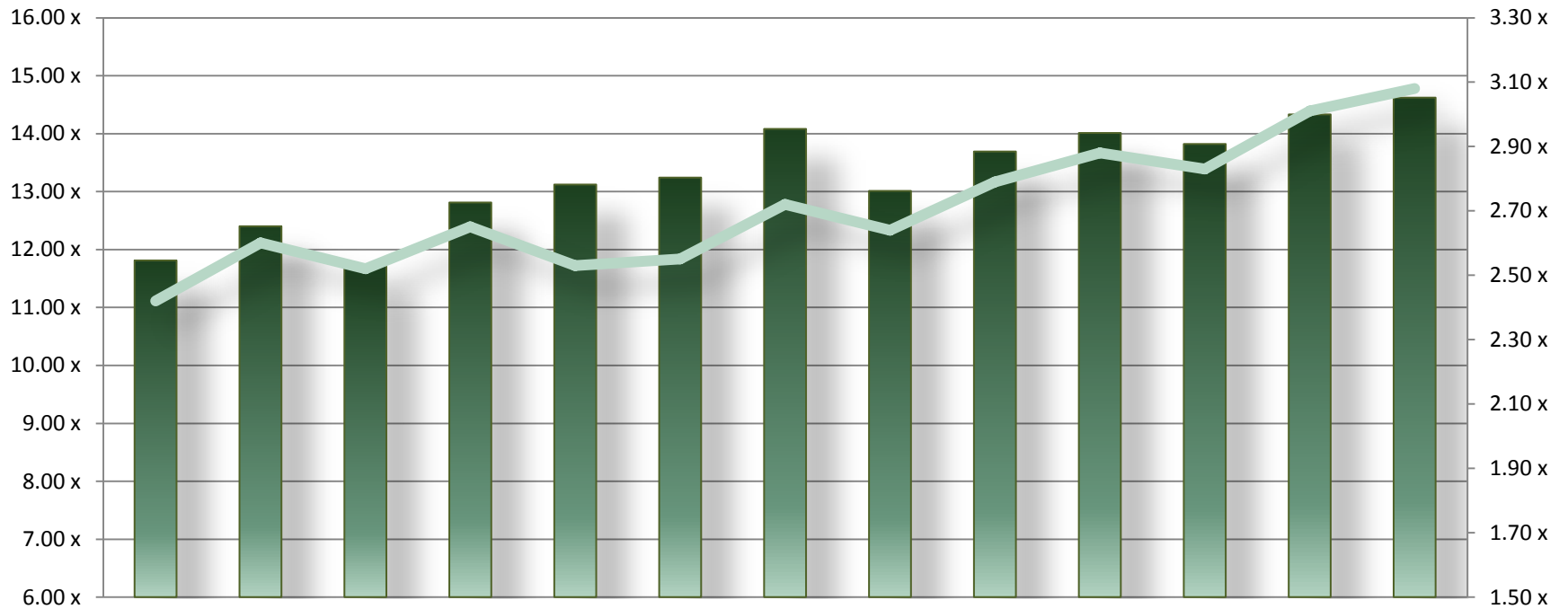


Vertical Application Software Market

Public Valuation Multiples

EV/EBITDA


















EV/Sales



	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
EV/EBITDA	11.81 x	12.40 x	11.74 x	12.81 x	13.12 x	13.24 x	14.08 x	13.01 x	13.69 x	14.01 x	13.82 x	14.33 x	14.62 x
EV/S	2.42 x	2.60 x	2.52 x	2.65 x	2.53 x	2.55 x	2.72 x	2.64 x	2.79 x	2.88 x	2.83 x	3.01 x	3.08 x



Vertical Application Software Market

Subsector		Sales	EBITDA	Examples		
A/E/C	↑	3.54x	15.94x	 AUTODESK	PTC®	
Government	—	1.16x	8.52x		 communications	
Healthcare	↓	4.10x	21.76x			
Financial Services	—	3.87x	14.62x			
Energy & Environment	↑	3.46x	12.85x			
Vertical Other	↑	2.00x	13.85x			



Vertical Application Software Market

Deal Spotlights: Aviation

EV/EBITDA

16.00 x

15.00 x

14.00 x

13.00 x

12.00 x

11.00 x

10.00 x

9.00 x

8.00 x

7.00 x

6.00 x



Sold to



Target: AerData Group [Holland]
Acquirer: Boeing
Transaction Value: Undisclosed

- Aircraft and engine lease, asset and maintenance management SaaS.

EV/Sales

3.30 x

3.10 x

2.90 x

2.70 x

2.50 x

2.30 x

2.10 x

1.90 x

1.70 x

1.50 x



Sold to



Target: ETS Aviation [Gibraltar]
Acquirer: Boeing
Transaction Value: Undisclosed

- Fuel efficiency, consumption and emissions management, monitoring and analytics software.

EV/EBITDA
EV/S



Vertical Application Software Market

Deal Spotlights

EV/EBITDA

EV/Sales

DATASYS
SOFTWARE SOLUTIONS

Sold to

Tracsis plc

Sector: Transportation

Target: Datasys Integration [UK]

Acquirer: Tracsis [UK]

Transaction Value: \$7.58 million

- Operational analytics software for rail operators in the UK to identify the causes of delays.
- Client base includes all of the major transport owning groups.

EV/EBITDA
EV/Sales

10 x
10 x
10 x
10 x
10 x
10 x
10 x
10 x



Vertical Application Software Market

Deal Spotlights

EV/EBIT

EV/Sales



Sold to

DENSO

Sector: Automotive

Target: EASE Simulation

Acquirer: DENSO Corporation [Japan]

Transaction Value: Undisclosed

- PC-based diagnostic, emission scanning and reprogramming software.
- part long-term plan to expand scope of Original Equipment Service (OES), Aftermarket and non-automotive business.

EV/EBIT
EV/Sales



Vertical Application Software Market

Deal Spotlights: Energy

EV/EBITDA

16.00 x

15.00 x

14.00 x

13.00 x

12.00 x

11.00 x

10.00 x

9.00 x

8.00 x

7.00 x

6.00 x

POWERSENSE

Sold to

Landis+Gyr
manage energy better

Target: PowerSense [Denmark]
Acquirer: Landis+Gyr/Toshiba
Transaction Value: Undisclosed

- Optical sensor-based power monitoring and control hardware and software systems.

EV/Sales

3.30 x

3.10 x

2.90 x

2.70 x

2.50 x

2.30 x

2.10 x

1.90 x

1.70 x

1.50 x

GRIDDIANT

Sold to

Landis+Gyr
manage energy better

Target: GRIDiant Corporation
Acquirer: Landis+Gyr/Toshiba
Transaction Value: Undisclosed

- Analytics software and SaaS, including utilities grid operations management, GIS mapping, outage detection and database management.

EV/EBITDA

EV/S



Vertical Application Software Market

Deal Spotlights

EV/EBITDA

EV/Sales



Sector: Digital Video

Target: Digital Rapids Corp. [Canada]

Acquirer: Imagine Communications

Transaction Value: Undisclosed

- Digital video processing, transcoding, encoding, ingest and streaming software and hardware for the purpose of multi-screen distribution, post production and archiving.

EV/EBITDA
EV/Sales

10 x
10 x
10 x
10 x
10 x
10 x
10 x
10 x
10 x



Vertical Application Software Market

Deal Spotlights

EV/EBITDA

 IPREO

Sold to

 Goldman Sachs

The Blackstone Group®

EV/Sales

Sector: Financial Services

Target: Ipreo Holdings

Acquirer: Blackstone/Goldman Sachs

Transaction Value: Estimated at \$960 million

- Securities issuance software, investor CRM software and online stock reference content.
- Widely known for its Bigdough database – a source for institutional contact data and investor profiles.

EV/EBITDA
EV/Sales

10 x
10 x
10 x
10 x
10 x
10 x
10 x
10 x
10 x

Corum Research Report



Elon Gasper
Vice President,
Director of Research



Alina Soltys
Senior Analyst



Amber Stoner
Senior Analyst



Laura Duren
Analyst



Erin Sanchez
Analyst



Tyler Vickers
Research Analyst

Global, Personal & Company Concerns



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.

6 Global M&A Concerns

- 1. Geopolitical Disruption**
- 2. Currency Crisis**
- 3. Inflation Increasing**
- 4. Rising Interest Rates**
- 5. Stock Market Correction**
- 6. M&A Cycle Ends**

M&A Follows Cycles



6 Personal/Company M&A Concerns

1. **Market Consolidation**
2. **Game-changing Tech Paradigm**
3. **Health Problems – Personal/Partner/Management**
4. **Conflict – Founders/Investors/Personal**
5. **Litigation/Negligence/Criminal Acts**
6. **Incapacitation or Death**