



Tech M&A Monthly

Quarterly Report: Q3 2016

13 October 2016

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
- WFS Market Spotlight: Manufacturing
- Field Reports
 - JAGEX Acquired by Zhongji Holding
 - EEDAR Acquired by The NPD Group
 - Punters.com.au Acquired by News Corp Australia
- 2016 Q3 Research Report
- Q&A

WFS Manufacturing Market Spotlight



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.

WFS Manufacturing Market Spotlight Panelists



Peggy Smedley

Founder, Peggy Smedley Institute



Joe Barkai

*Author, *The Outcome Economy
and the Internet of Things**

Offshore to Onshore

The role of software technology in the US
manufacturing renaissance



Field Report

JAGEX Acquired by Zhongji Holding



Jim Perkins
Executive 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.

Field Report

EEDAR Acquired by The NPD Group



Jim Perkins
Executive Vice President
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Field Report

Punters.com.au Acquired by News Corp Australia



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.

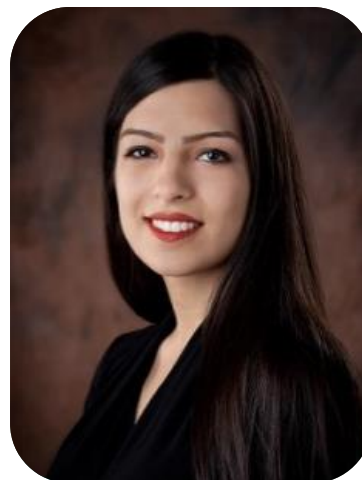
Corum Research Report



Elon Gasper
Vice President,
Director of Research



Amber Stoner
Senior Analyst



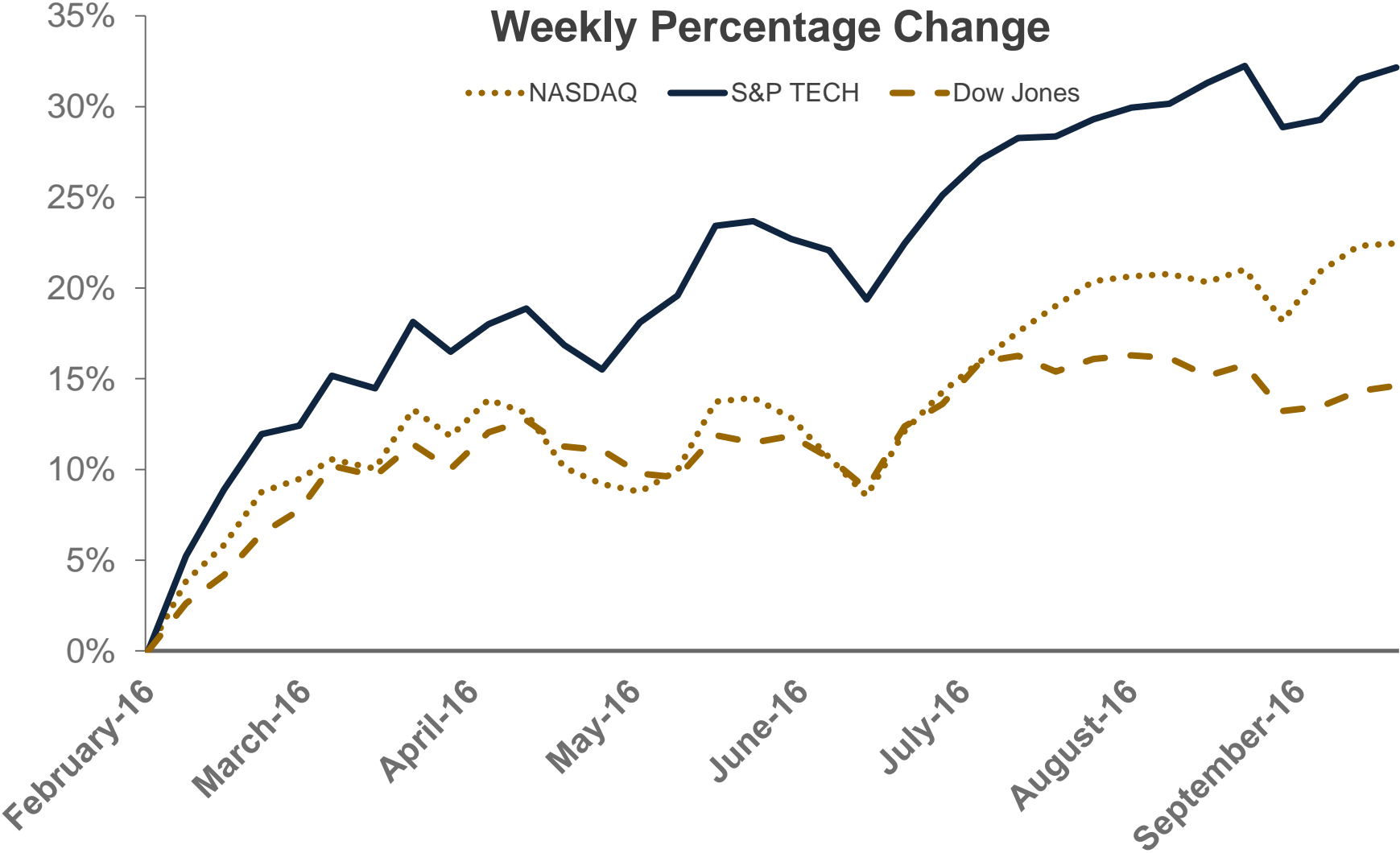
Yasmin Khodamoradi
Analyst



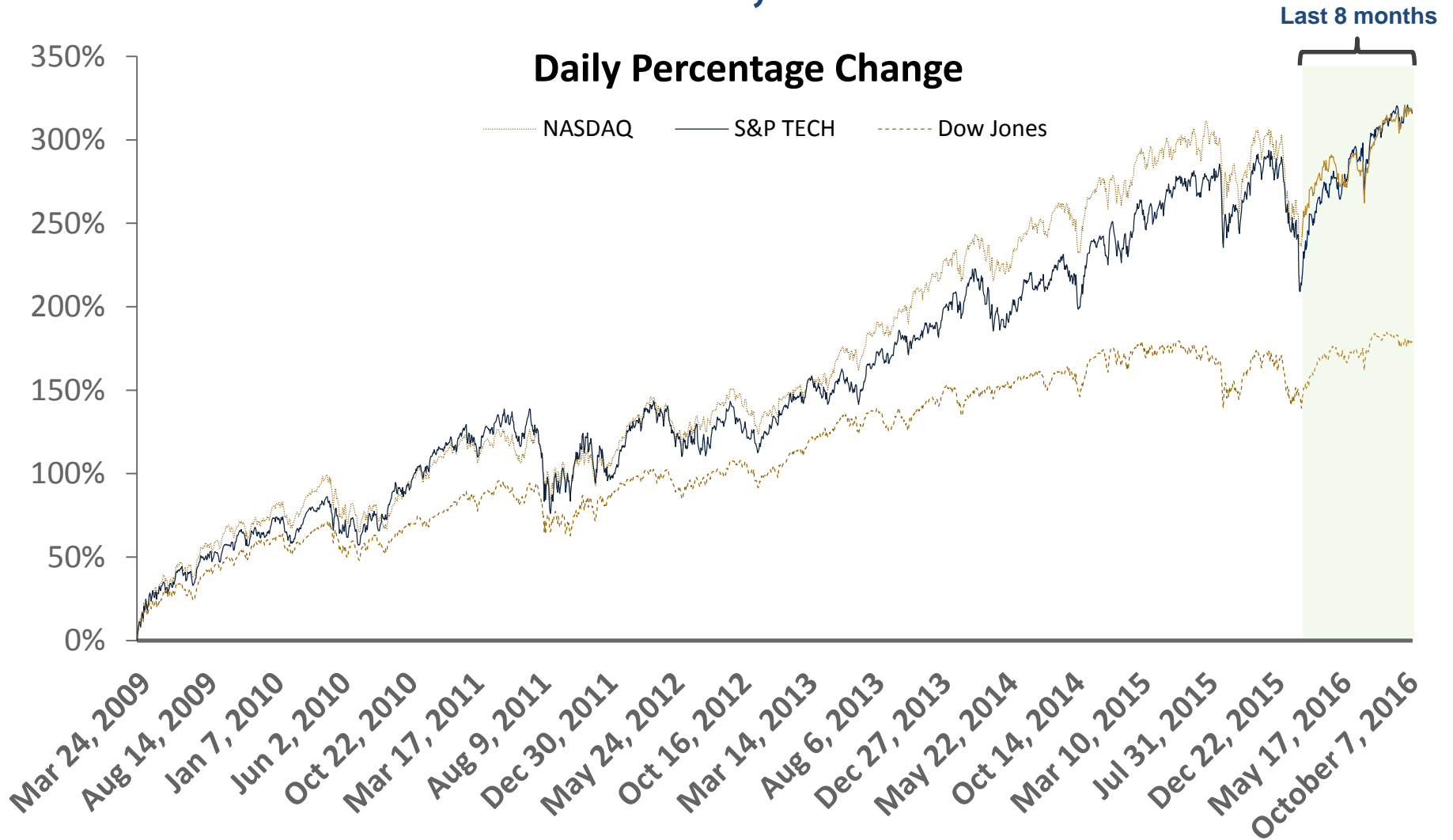
Thomas Wright
Analyst

Public Markets

Weekly Percentage Change



The Bull Market, 2009-Present



Macro view: 4 Longest* Bull Market Runs

	Start	End	Years
Dotcom Bubble	Oct. 11, 1990	Mar. 24, 2000	9.5
Current	Mar. 9, 2009	?	7.6
Postwar Boom	Jun. 13, 1949	Aug. 2, 1956	7.1
That 70s Inflation	Oct. 3, 1974	Nov. 28, 1980	6.2



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

Corum Index

Market

Transactions

Q3:2015

1135

Q3:2016

911

20%

Mega Deals

12

29

142%

Largest Deal

\$8.0B

\$32B

300%

Pipeline

Private Equity Deals

Q3:2015

58

Q3:2016

83

43%

VC Backed Exits

172

171

0.6%

Attributes

Cross Border Transactions

Q3:2015

35%

Q3:2016

39%

11%

Start-Up Acquisitions

13%

11%

15%

Average Life of Target

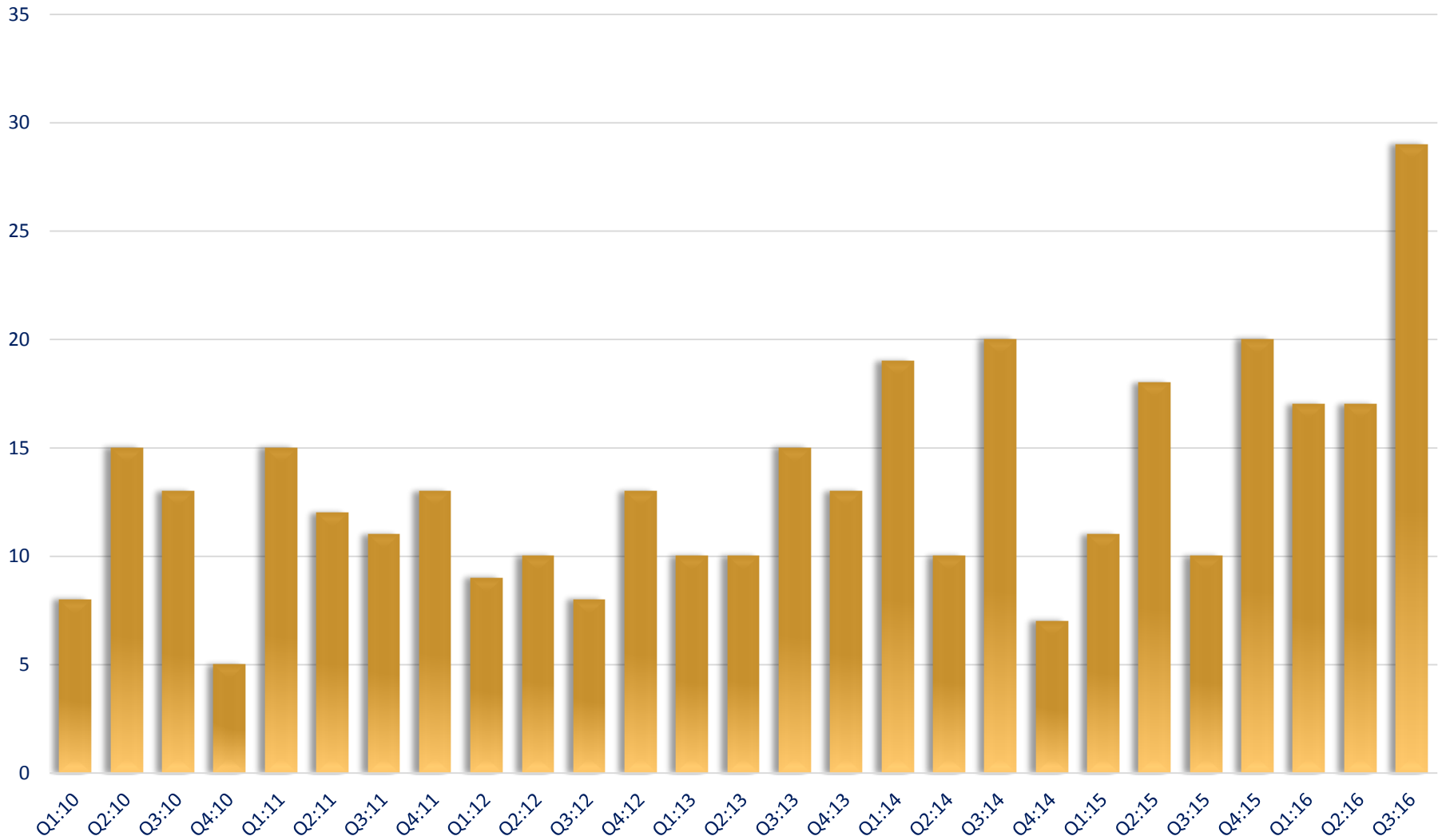
14 yrs

15 yrs

7%

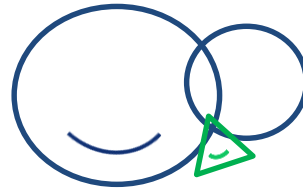
CORUM

Mega Deals by Quarter

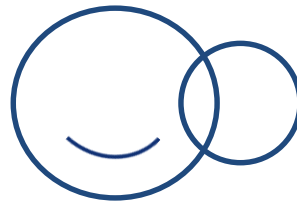


Megadeals promote smaller M&A

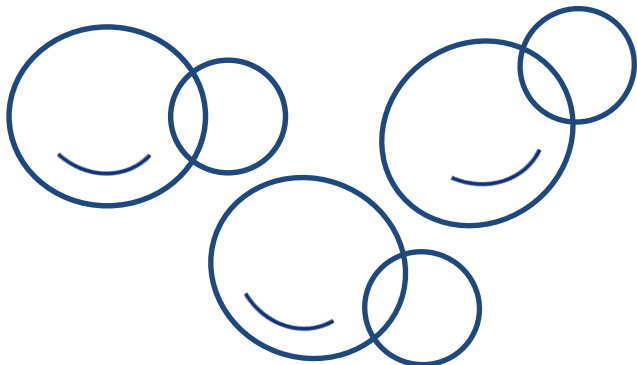
- **Buyers** will be looking for tuck-ins:



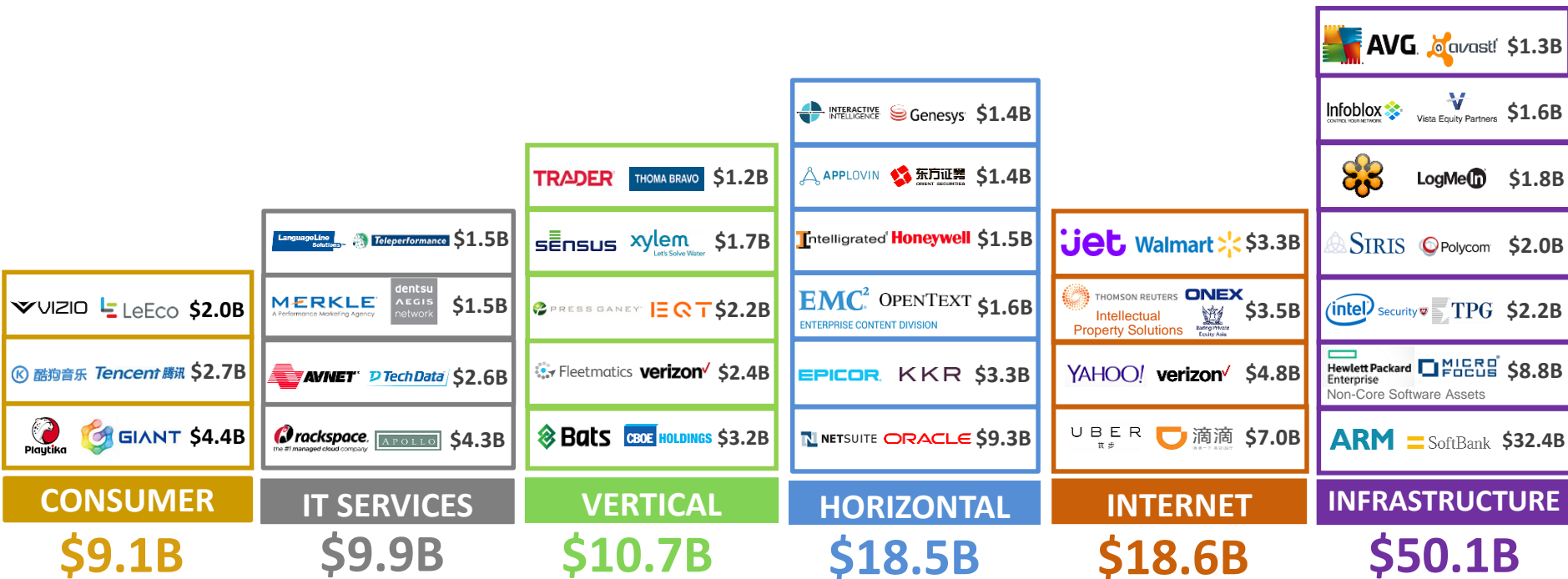
- **Competitors** for matching investment opportunities:



- **Mid-sized players** left behind among now larger competitors:



Mega Deals - Q3 2016



Mega Deals - Q3 2016



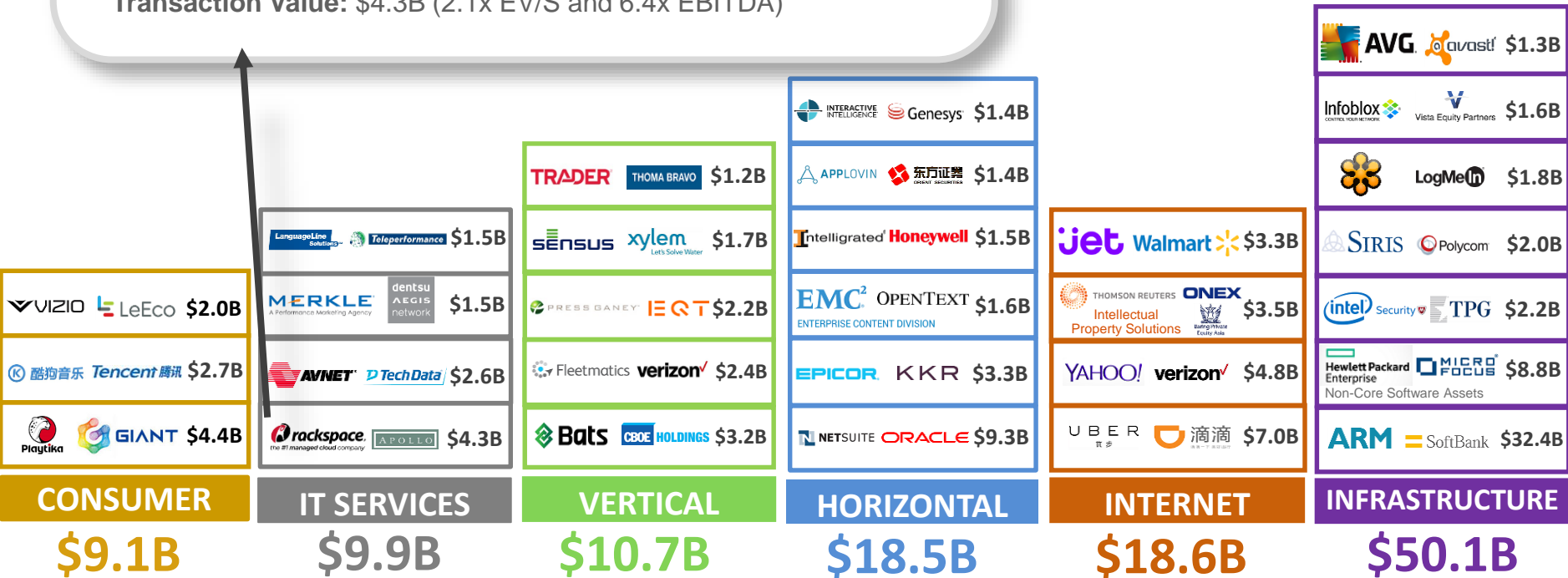
Sold to

APOLLO

Target: Rackspace US Inc. [USA]

Acquirer: Apollo Global Management LLC [USA]

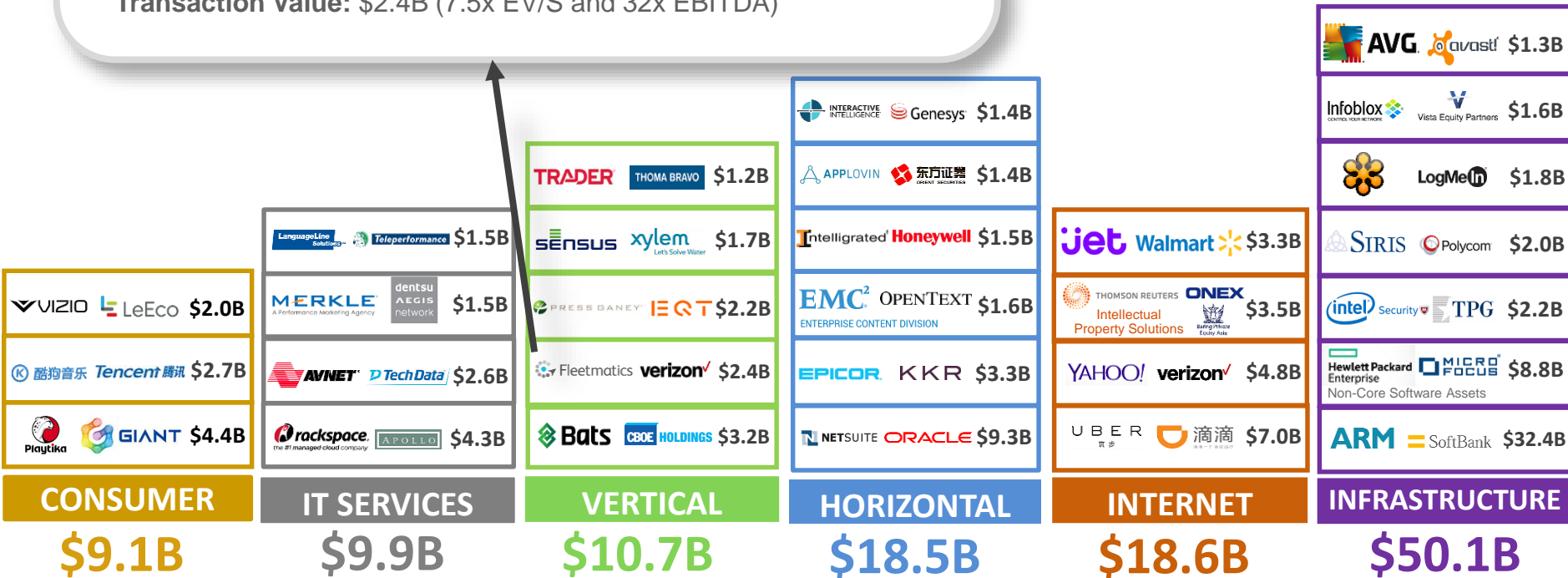
Transaction Value: \$4.3B (2.1x EV/S and 6.4x EBITDA)



Mega Deals - Q3 2016



Target: Fleetmatics Development Limited [Ireland]
Acquirer: Verizon Communications Inc. [USA]
Transaction Value: \$2.4B (7.5x EV/S and 32x EBITDA)

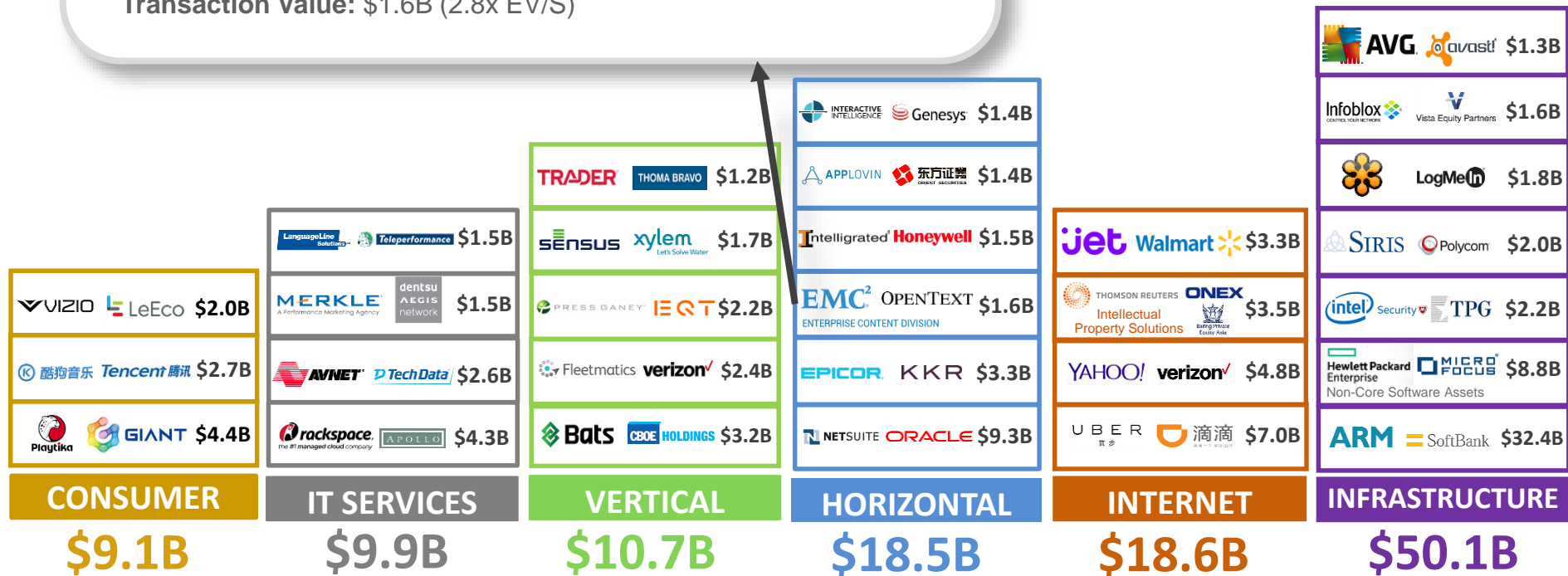


Mega Deals - Q3 2016

EMC²
ENTERPRISE CONTENT DIVISION

Sold to **OPENTEXT**

Target: EMC Corporation [Dell] (Enterprise Content Division) [USA]
Acquirer: OpenText Corporation [Canada]
Transaction Value: \$1.6B (2.8x EV/S)



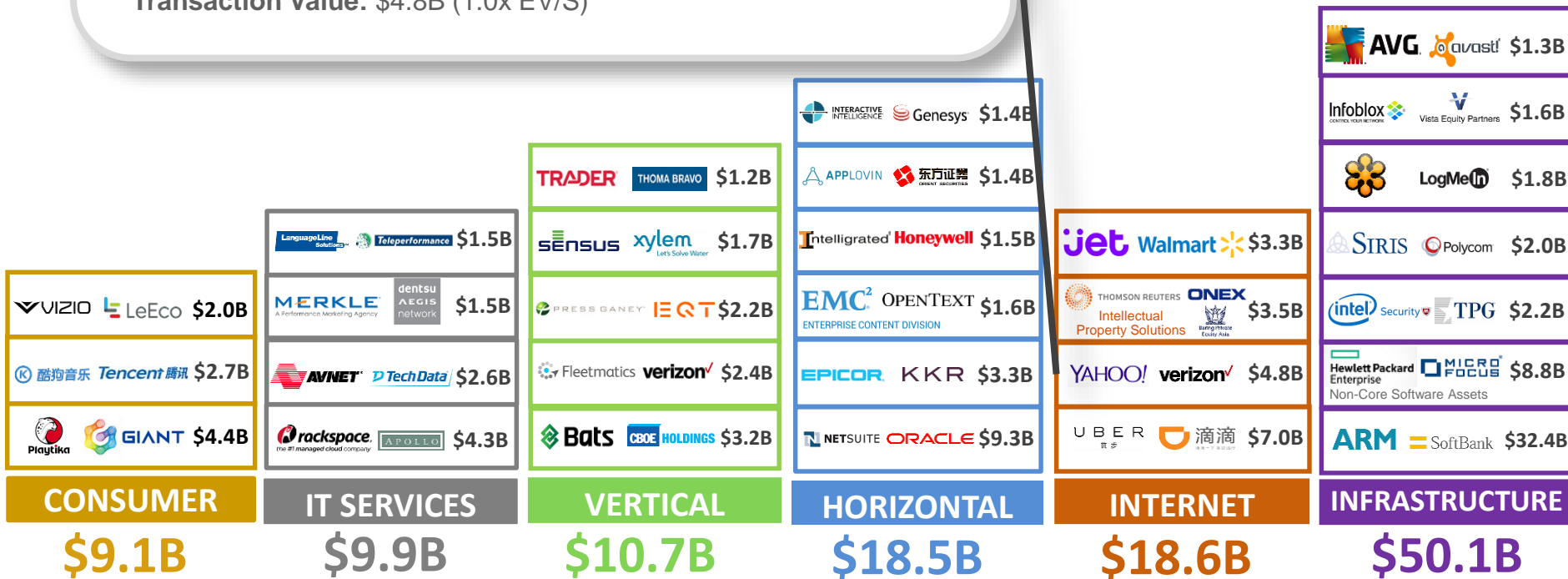
Mega Deals - Q3 2016

YAHOO!

Sold to



Target: Yahoo! Inc. (operating business) [USA]
Acquirer: Verizon Communications Inc. [USA]
Transaction Value: \$4.8B (1.0x EV/S)



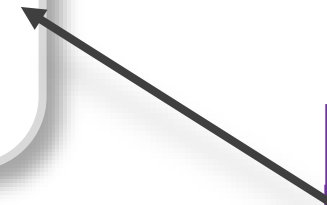
Mega Deals - Q3 2016










Infoblox 
CONTROL YOUR NETWORK


























Vista Equity Partners









Target: Infoblox Inc. [USA]
Acquirer: Vista Equity Partners Management LLC [USA]
Transaction Value: \$1.6B (3.7x EV/S)



 	\$1.3B
 	\$1.6B
	\$1.8B
 	\$2.0B
 	\$2.2B
 	\$8.8B
 	\$32.4B

 	\$1.4B
 	\$1.4B
 	\$1.5B
 	\$1.6B
 	\$3.3B
 	\$9.3B

 	\$1.2B
 	\$1.7B
 	\$2.2B
 	\$2.4B
 	\$3.2B

 	\$1.5B
 	\$1.5B
 	\$2.6B
 	\$4.3B

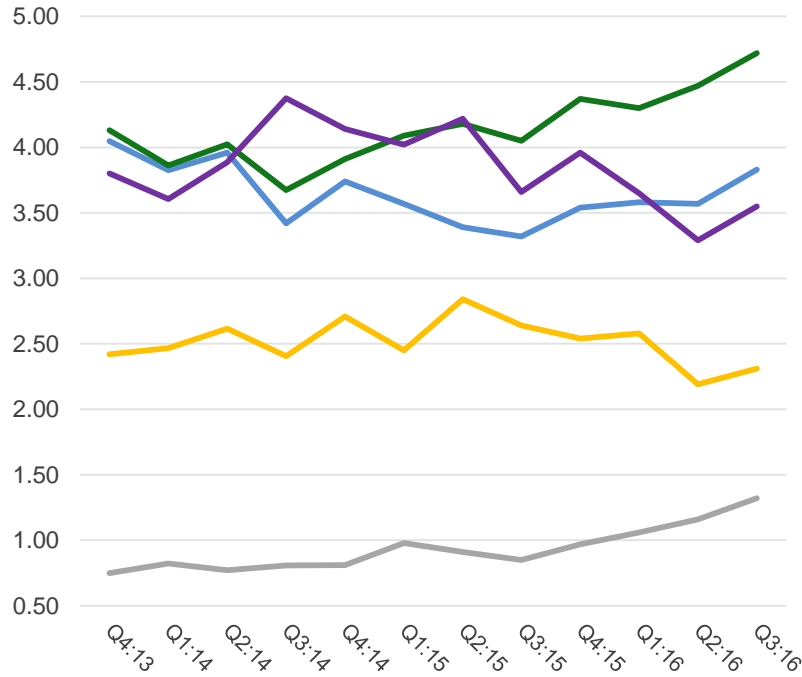
 	\$3.3B
 	\$3.5B
 	\$4.8B
 	\$7.0B

 	\$2.0B
 	\$2.7B
 	\$4.4B

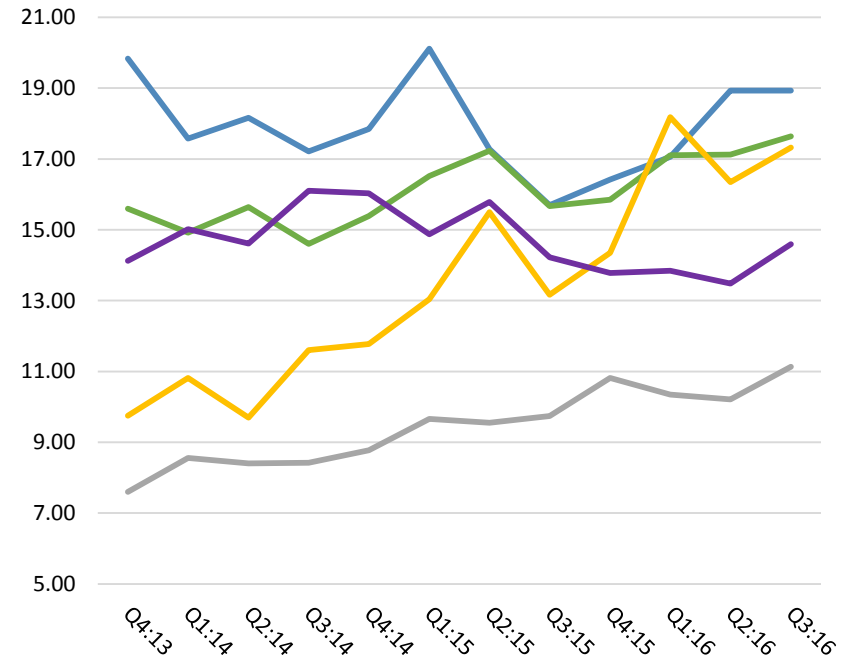
CONSUMER	IT SERVICES	VERTICAL	HORIZONTAL	INTERNET	INFRASTRUCTURE
\$9.1B	\$9.9B	\$10.7B	\$18.5B	\$18.6B	\$50.1B

3-Year Market Valuation Trends

EV/S



EV/EBITDA



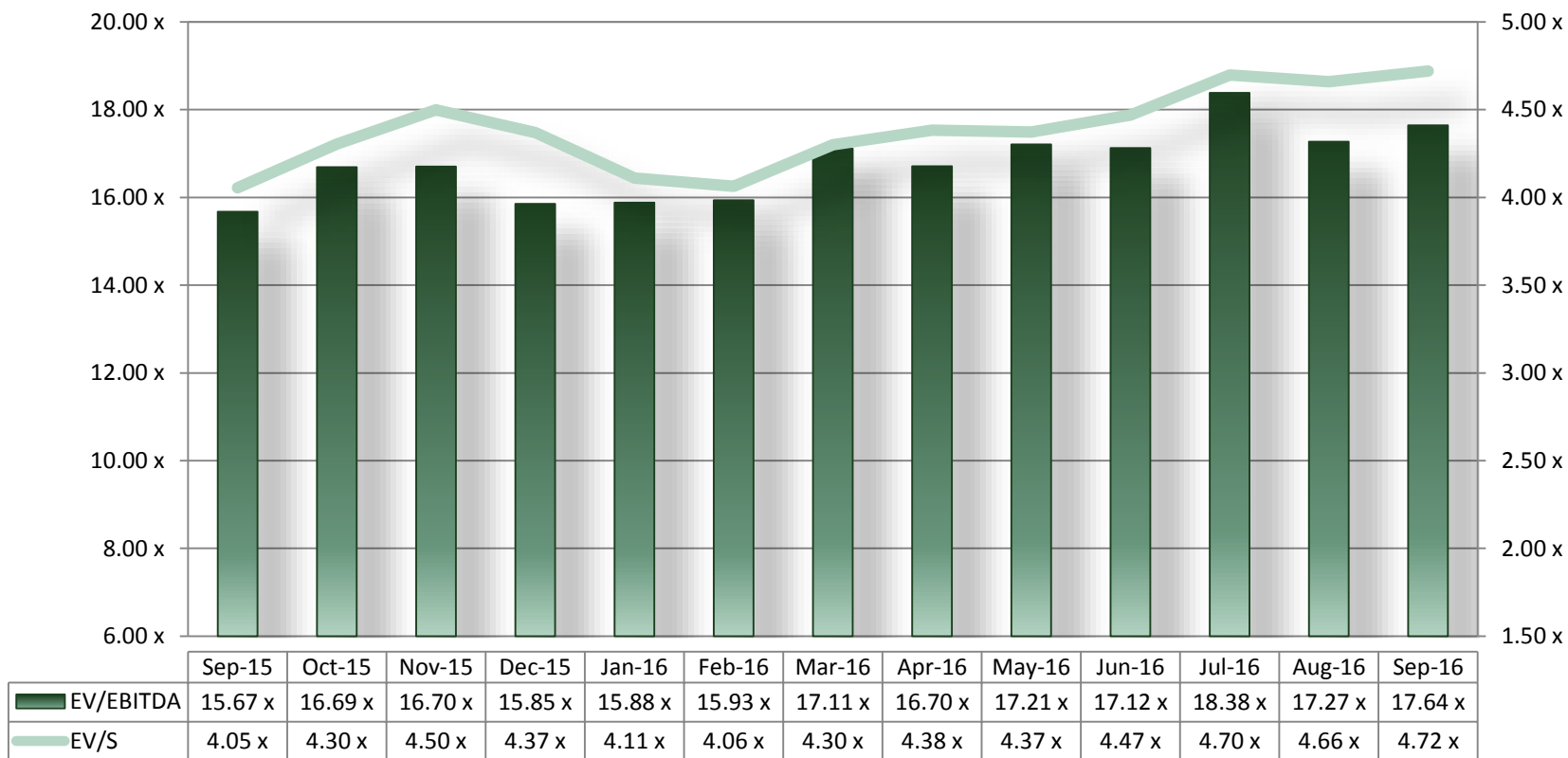
— Horizontal — Vertical — Consumer — Infrastructure — IT Services

Vertical Application Software Market

Public Valuation Multiples

EV/EBITDA

EV/S



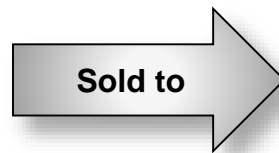
Vertical Application Software Valuations

Subsector		Sales	EBITDA	Examples		
A/E/C	↑	6.26x	21.79x	AUTODESK	DASSAULT SYSTEMES	SYNOPSYS®
Automotive	—	4.55x	19.82x	Autotrader	BitAuto 易车	CDK Global
Energy & Environment	↑	4.63x	18.99x	IHS Markit	Itron	Schlumberger
Financial Services	↓	4.92x	17.46x	Broadridge	FIS	fiserv.
Government	—	1.80x	12.16x	NORTHROP GRUMMAN	Raytheon	tyler technologies
Healthcare	↓	4.63x	18.97x	Allscripts	Cerner	imshealth INTELLIGENCE APPLIED.
Real Estate	↑	7.48x	20.08x	CoreLogic	CoStar Group	Zillow
Vertical Other	↑	4.13x	14.27x	amadeus	Rockwell Automation	Sabre

Vertical Application Software Market

Deal Spotlight: Drone Analytics

REDBIRD



Airware

Target: Redbird [France]

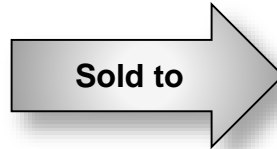
Acquirer: Unmanned Innovation [dba Airware] [USA]

- Drone-acquired data analytics SaaS for the mining and construction sectors
- Helps Airware concentrate on the insurance sector
- Enables Redbird expand into the US market

EV/EBITDA
EV/S

Vertical Application Software Market

Deal Spotlight: Building Information Management



NEMETSCHKE
GROUP

Target: Design Data [USA]
Acquirer: Nemetschek [Germany]
Transaction value: \$46.4M (4.6x EV/S)

- Steel modeling and fabrication software and SaaS





Target: IGS BIM Solutions [USA]
Acquirer: UNIFI Labs [USA]

- Building information management (BIM) modeling and visualization, content creation and digital asset management

Vertical Application Software Market


Deal Spotlight: Healthcare




Sold to 

Target: Anthelio Healthcare Solutions [USA]
Acquirer: Atos [France]
Transaction value: \$275M


- Electronic medical records information exchange and clinical document collaboration SaaS




Sold to 

Target: Essette [USA]
Acquirer: HMS Holdings [USA]
Transaction value: \$20M

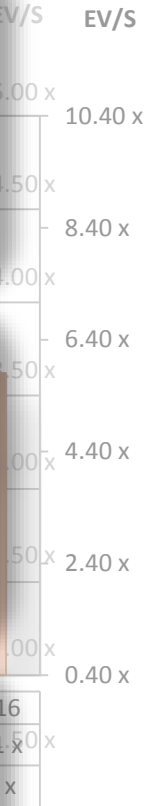
- Microsoft.NET-based care management SaaS and related integration for the healthcare industry



Sold to 

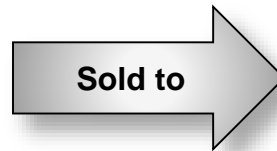
Target: exocad [Germany]
Acquirer: The Carlyle Group [USA]

- Dental computer-aided design (CAD), scanning and 3-D printing computer-aided machinery (CAM) software



Vertical Application Software Market

Deal Spotlight: Healthcare



Target: Gliimpse [USA]

Acquirer: Apple [USA]

- Electronic health record management SaaS
- Might be merged into one of Apple's health kits
- Expands Apple's present in the healthcare industry

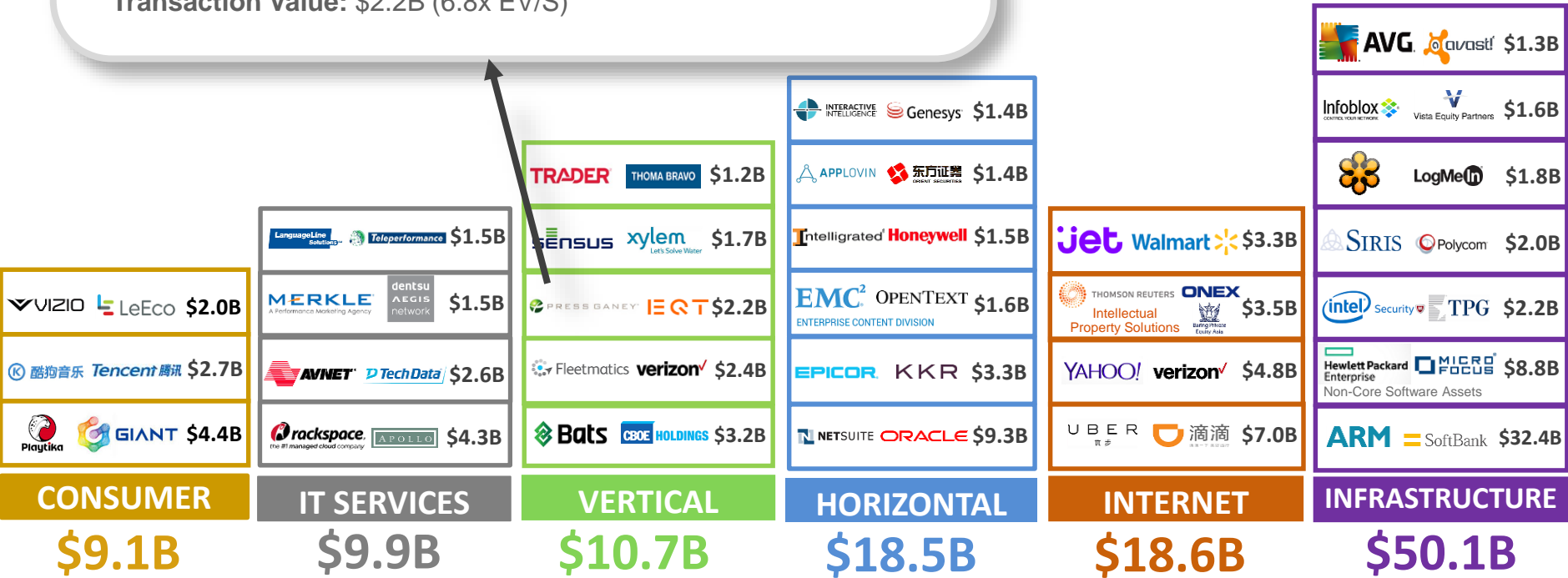
EV/EBITDA
EV/S

EV/S
0 x
x
x
x
x
x
x
x

Vertical Application Software Market



Target: Press Ganey Associates Inc. [USA]
 Acquirer: EQT AB [Sweden]
 Transaction Value: \$2.2B (6.8x EV/S)



Vertical Application Software Market

Deal Spotlight: Automotive



Panasonic

Target: OpenSynergy [Germany]

Acquirer: Panasonic [Japan]

- Integrating automotive operating systems
- Allows Panasonic to develop driver assistance technologies



UBER

Target: Otto [USA]

Acquirer: UBER [USA]

Transaction value: \$680M (Reported)

- Retrofit hardware & software for self-driving delivery trucks



Target: Urban Engines [USA]

Acquirer: Google [USA]

- Mapping, analytics & visualization software

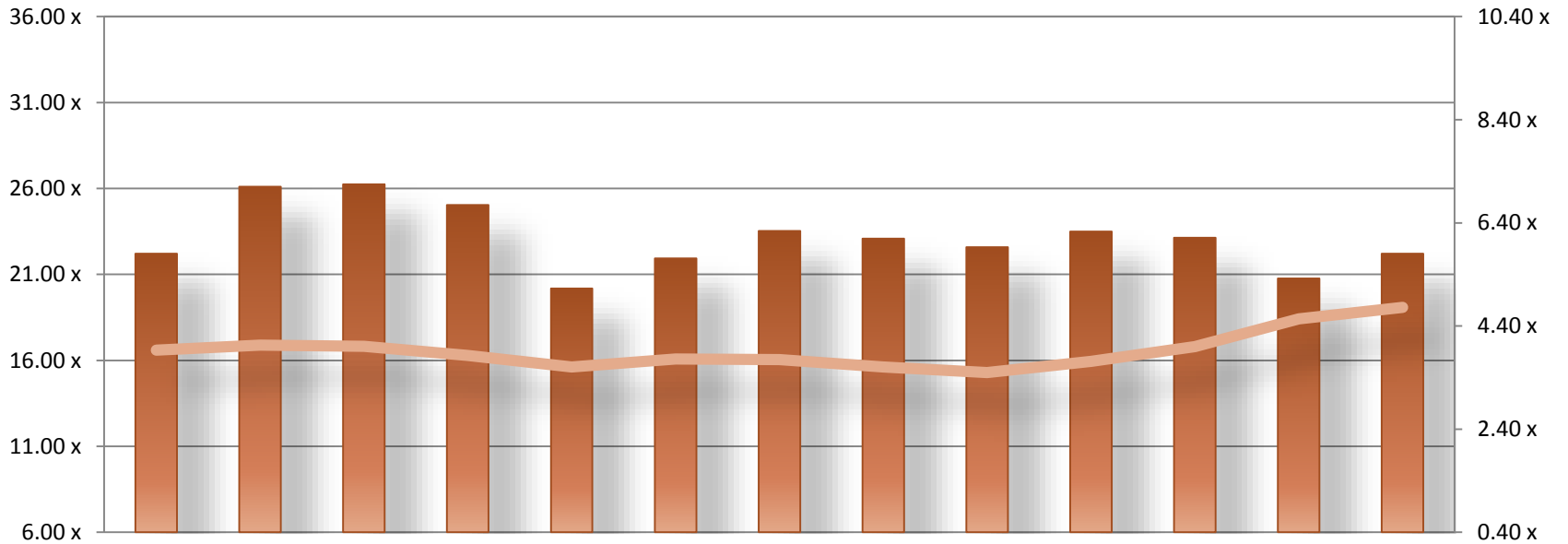


Internet Market Software Valuations

Public Valuation Multiples

















EV/EBITDA

EV/S



	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
EV/EBITDA	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	23.13 x	20.76 x	22.21 x
EV/S	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	4.00 x	4.54 x	4.76 x

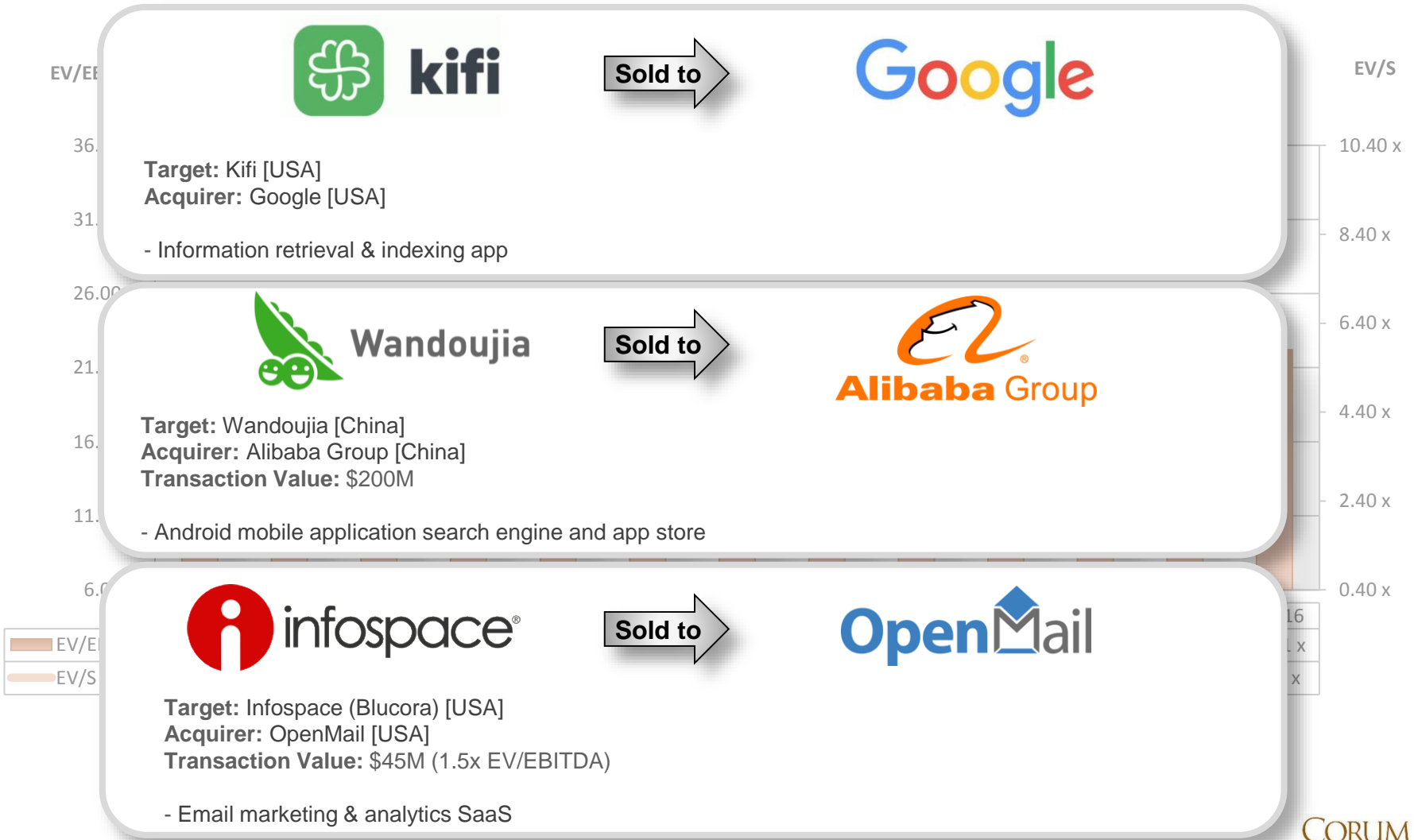
Internet Valuations

Subsector		Sales	EBITDA	Examples		
Diversified Internet		5.76x	18.35x			
eCommerce		1.14x	40.42x			
Social Network		6.30x	31.16x			
Travel & Leisure		5.57x	21.77x			



Internet Market Software Valuations

Deal Spotlight: Contextual Search / Search Engine





Internet Market Software Valuations

Deal Spotlight: Search Engine / Social Networking



Target: Snap Interactive [USA]
Acquirer: Paltalk (AVM Software) [USA]

- Mobile dating and social networking applications



Target: FounderDating [USA]
Acquirer: CoFoundersLab [USA]

- Online community and classifieds website that enables entrepreneurs to connect with people with different skill sets



Internet Market Software Valuations

Deal Spotlight: Travel

trip4real

Sold to

airbnb

Target: Trip4real [Spain]

Acquirer: Airbnb [USA]

- Travel activities online exchange: tours, meals, classes, etc.
- Part of Airbnb's push towards planning entire trips for its users

 **hipmunk**

Sold to

CONCUR

Target: Hipmunk [USA]

Acquirer: Concur (SAP) [USA]

- Comparison booking & scheduling travel app and website
- UX innovations include "Agony" and "Ecstasy" flight ratings
- Synergy with Concur's aim of bringing consumer level tech to the enterprise

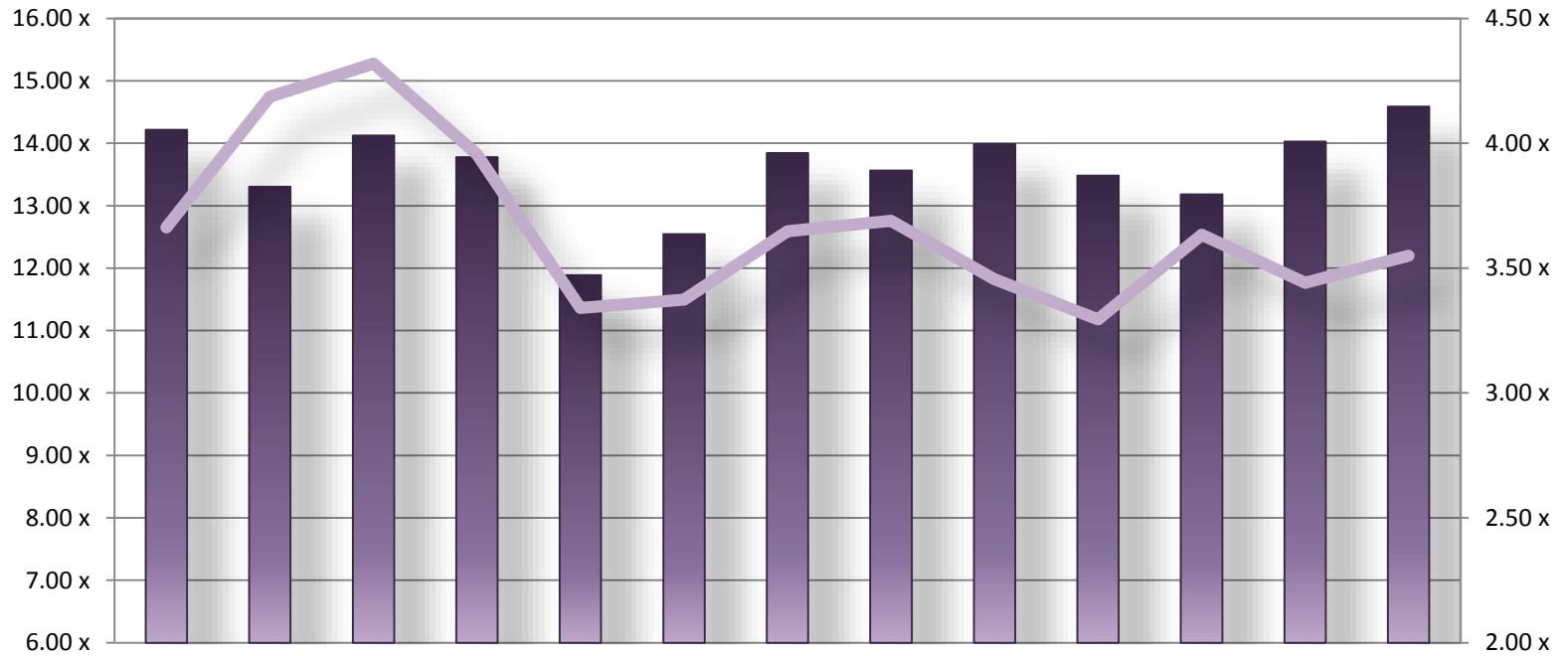


Infrastructure Software Market

Public Valuation Multiples

















EV/EBITDA

EV/S



	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
EV/EBITDA	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	13.18 x	14.03 x	14.59 x
EV/S	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	3.63 x	3.44 x	3.55 x

Infrastructure Software Market

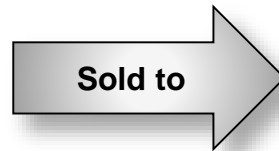
Subsector		Sales	EBITDA		Examples
Endpoint		3.71x	15.40x		 vmware
IT Services Management		4.77x	31.48x		 servicenow
Network Management		3.37x	14.15x	ARISTA	 JUNIPER NETWORKS
Security		3.80x	16.58x		 gemalto <small>security to be free</small>
Storage & Hosting		2.59x	9.11x	BROCADE	 rackspace
Other		5.01x	12.73x		 New Relic



Infrastructure Software Market

Deal Spotlight: Application Management and Performance Monitoring

apigee



Google

Target: Apigee [USA]

Acquirer: Google [USA]

Transaction Value: \$625M (6.5x EV/S)

- API management SaaS
- Expands its corporate clientele, providing them a way of high quality digital interactions with customers
- Integrates with Google Cloud Platform



Infrastructure Software Market

Deal Spotlight: Application Management and Performance Monitoring



Target: PreAlert [USA]

Acquirer: Elastic [Netherlands]

- Machine learning-enabled behavioral analytics technology firm
- Jumps into infrastructure security monitoring space and reinforces its big data offerings



Target: AppNeta (TraceView SaaS) [USA]

Acquirer: SolarWinds [USA]

- Application performance monitoring (APM) and network performance monitoring (NPM) SaaS
- Extends its current Monitoring as a Service (MaaS) portfolio



Infrastructure Software Market

Deal Spotlight: Application Management and Performance Monitoring

AppFirst™

Sold to

 ScienceLogic

Target: AppFirst [USA]

Acquirer: ScienceLogic [USA]

- Application performance management SaaS
- Bolster its IT infrastructure monitoring service



Infrastructure Software Market

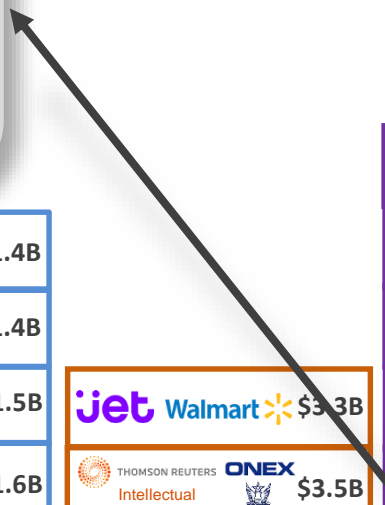



An Intel Company

Sold to



Target: Intel Security [fka McAfee] [USA]
Acquirer: TPG Capital [USA]
Transaction Value: \$2.2B



CONSUMER	IT SERVICES	VERTICAL	HORIZONTAL	INTERNET	INFRASTRUCTURE
\$9.1B VIZIO LeEco \$2.0B 酷狗音乐 Tencent 腾讯 \$2.7B Playtika GIANT \$4.4B	\$9.9B LanguageLine Solutions Teleperformance \$1.5B MERKLE dentsu AEGIS network \$1.5B AVNET Tech Data \$2.6B Rackspace APOLLO \$4.3B	\$10.7B TRADER THOMA BRAVO \$1.2B sENSUS xylem Let's Solve Water \$1.7B PRESS GANEY IEQT \$2.2B Fleetmatics verizon \$2.4B Bats CBOE HOLDINGS \$3.2B	\$18.5B INTERACTIVE INTELLIGENCE Genesys \$1.4B APPOVIN 东方财富 东方证券 \$1.4B Intelligrated Honeywell \$1.5B EMC ² OPENTEXT \$1.6B ENTERPRISE CONTENT DIVISION EPICOR KKR \$3.3B NETSUITE ORACLE \$9.3B	\$18.6B JET Walmart \$3.3B THOMSON REUTERS ONEX \$3.5B Intellectual Property Solutions YAHOO! verizon \$4.8B UBER 滴滴 \$7.0B	\$50.1B AVG avast! \$1.3B Infoblox Vista Equity Partners \$1.6B LogMeIn \$1.8B SIRIS Polycom \$2.0B intel Security TPG \$2.2B Hewlett Packard Enterprise MICRO FOCUS \$8.8B Non-Core Software Assets ARM = SoftBank \$32.4B



Infrastructure Software Market

Deal Spotlight: Enterprise Security



Sold to



Target: CyberFlow Analytics [USA]

Acquirer: Webroot Software [USA]

- Enterprise threat management SaaS, which uses analytics and machine learning to detect anomalies and threats on the network, including IoT



Sold to



Target: Damballa [USA]

Acquirer: Core Security [USA]

Transaction Value: \$10M (Estimated)

- Network threat detection SaaS



Infrastructure Software Market

Deal Spotlight: Enterprise Security



Target: Confer Technologies [USA]
Acquirer: Carbon Black [USA]
Transaction Value: \$85M (17x EV/S)



- Enterprise endpoint security software company
- Will be integrated into Carbon Black's product portfolio as CB Defense



Target: Palerra [USA]
Acquirer: Oracle [USA]



- IaaS, PaaS and SaaS security management, compliance, threat intelligence and incident response SaaS



Infrastructure Software Market

Deal Spotlight: Identity and access management



Target: LaunchKey [USA]
Acquirer: iovation [USA]



- Multi-factor authentication SaaS for mobile identity and access management, identity authentication and physical access control without the use of passwords



Target: UnboundID [USA]
Acquirer: Ping Identity [USA]



- Customer identity and access management SaaS



Infrastructure Software Market

Deal Spotlight: Internet of Things



Sold to



Target: DGLogik [USA]
Acquirer: Acuity Brands [USA]

- Enterprise IoT application development software company, which helps to visualize IoT networks

EV/S
4.50 x

Kombridge

Things will talk

Sold to



Target: Kombridge [Sweden]
Acquirer: Tele2 [Sweden]

- IoT network management systems firm, which strengthens Tele2's security services

3.50 x
3.00 x
2.50 x

interniche
technologies, inc.

Sold to



Target: InterNiche Technologies (Networking business assets) [USA]
Acquirer: HCC Embedded [USA]

- IP networking IoT software

2.00 x

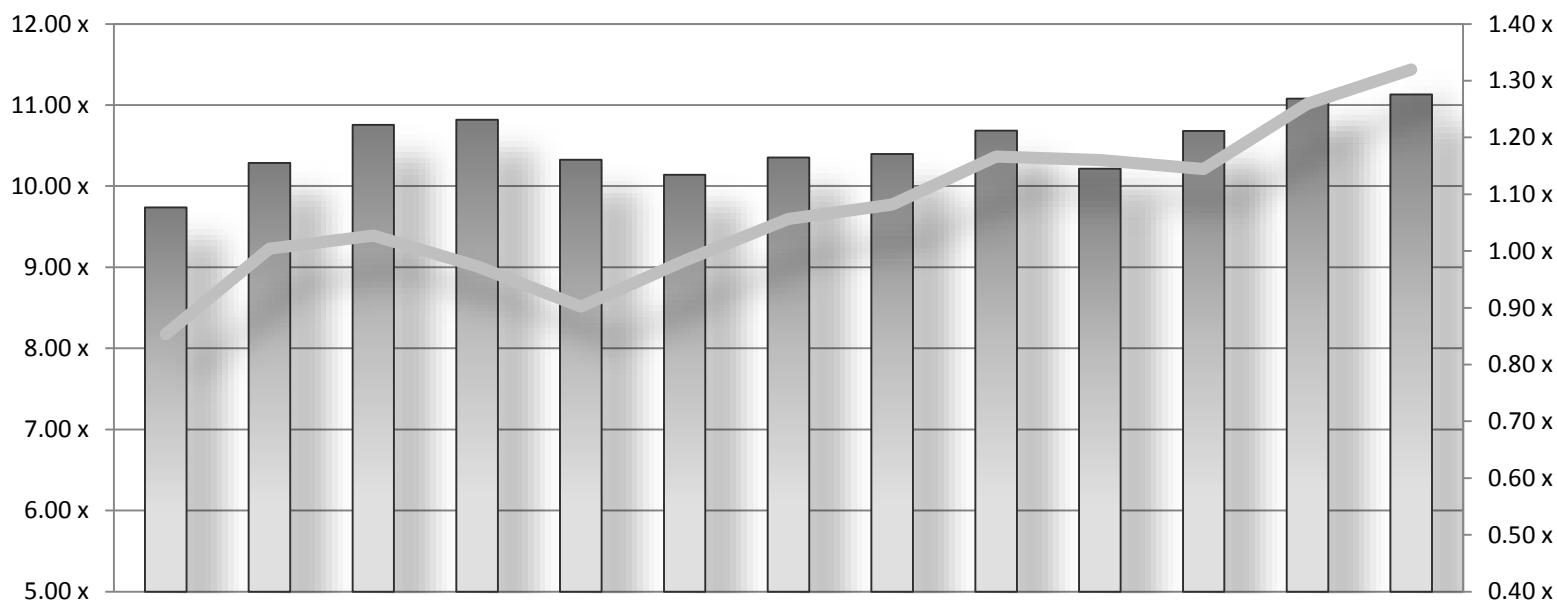


IT Services – Developed Markets

Public Valuation Multiples

EV/EBITDA

EV/S



	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
EV/EBITDA	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	10.68 x	11.08 x	11.13 x
EV/S	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	1.14 x	1.26 x	1.32 x

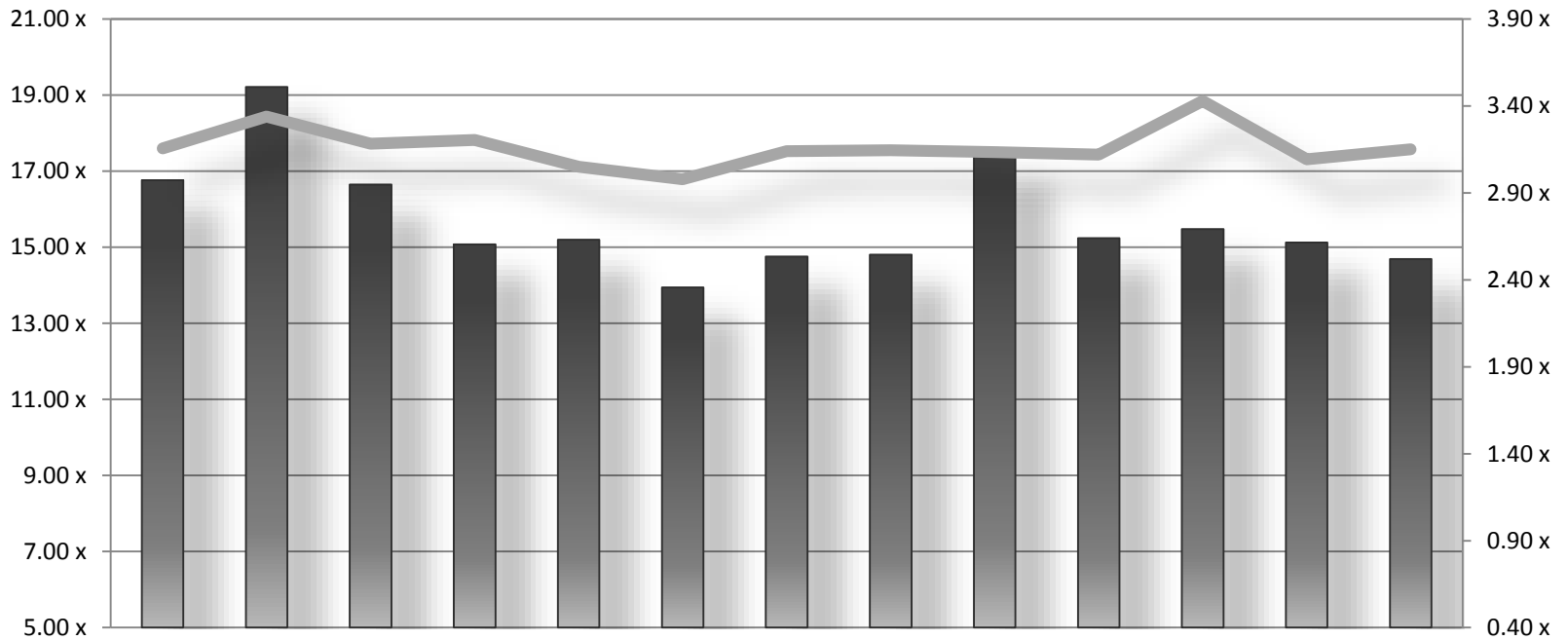


IT Services – Emerging Markets

Public Valuation Multiples


EV/EBITDA

EV/S



	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
EV/EBITDA	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	15.48 x	15.12 x	14.69 x
EV/S	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	3.43 x	3.09 x	3.15 x

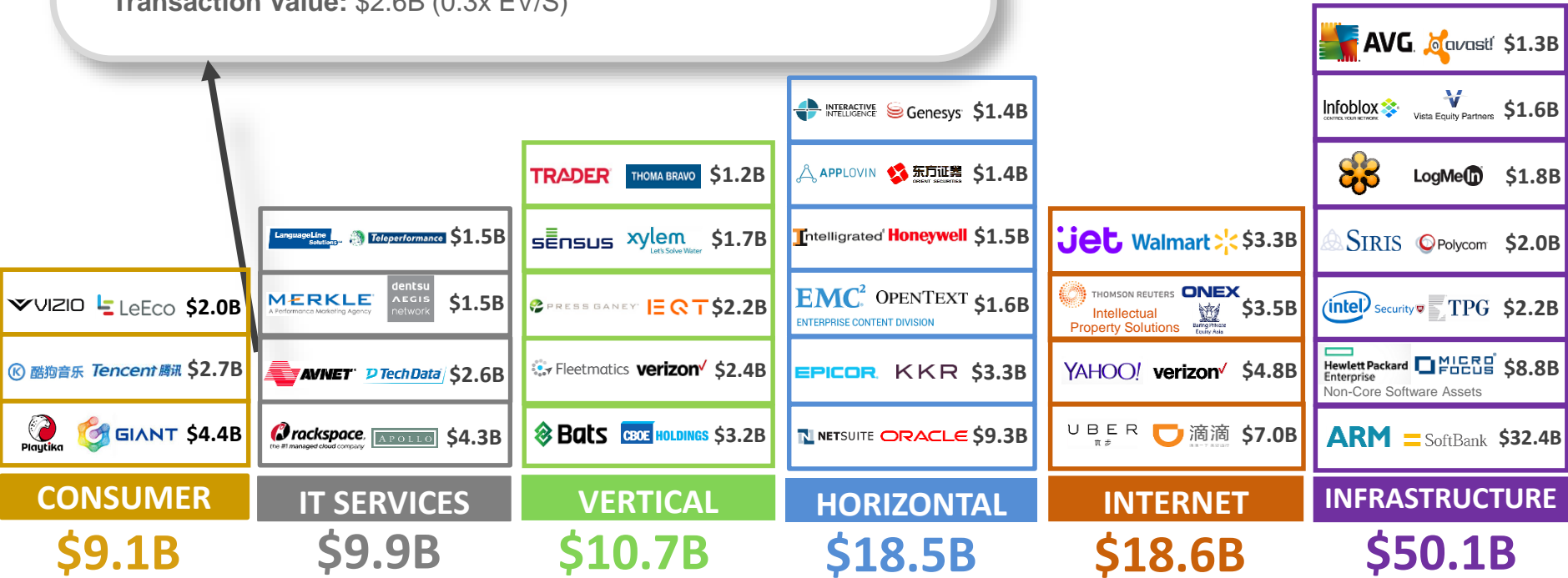
IT Services Valuations

Subsector		Sales	EBITDA	Examples		
Developed		1.32x	11.13x	accenture		
Emerging		3.15x	14.69x	Infosys		GENPACT

Mega Deals - Q3 2016




Target: Avnet's Technology Solutions business unit [USA]
Acquirer: Tech Data Corp. [USA]
Transaction Value: \$2.6B (0.3x EV/S)






IT Services Market Valuations


Deal Spotlight: Accenture shopping spree

 **OCTO**
Technology

Sold to 

Target: OCTO Technology [France]
Acquirer: Accenture [Ireland]
Transaction Value: \$129.3M (3.1x EV/S)

 **MobGen**

Sold to 

Target: MOBGEN [Netherlands]
Acquirer: Accenture [Ireland]


- End-to-end mobile development services


 **tecnológica**

Sold to 

Target: Tecnológica [Spain]
Acquirer: Accenture [Ireland]

- Web and mobile application development

 **DayNine**
CONSULTING

Sold to 

Target: DayNine Consulting [USA]
Acquirer: Accenture [Ireland]

- Workday systems integration & consulting

EV/S
1.40 x
1.30 x
1.20 x
1.10 x
1.00 x
0.90 x
0.80 x
0.70 x
0.60 x
0.50 x
0.40 x



IT Services – Developed Markets

Deal Spotlight: Digital marketing services



Sold to



Target: 3DPhy (Novaviz Technologies) [India]
Acquirer: PropTiger Realty (Elara Technologies) [India]

- AR and 3D virtualization services for the retail, commerce and other businesses
- Provides more flexible and catching solution for PropTiger' real estate advisory business



Sold to

The New York Times

Target: Fake Love [USA]
Acquirer: The New York Times Company [USA]

- Digital AR & VR advertising services for brands and corporations
- Helps The Times to recover advertising business revenue with the digital component



IT Services – Developed Markets

Deal Spotlight: Gaming software development



Sold to



Target: Volta Creation [Canada]
Acquirer: Keywords Studios [Ireland]
Transaction Value: \$4M

- 2D and 3D visual software development

Scene53

Sold to

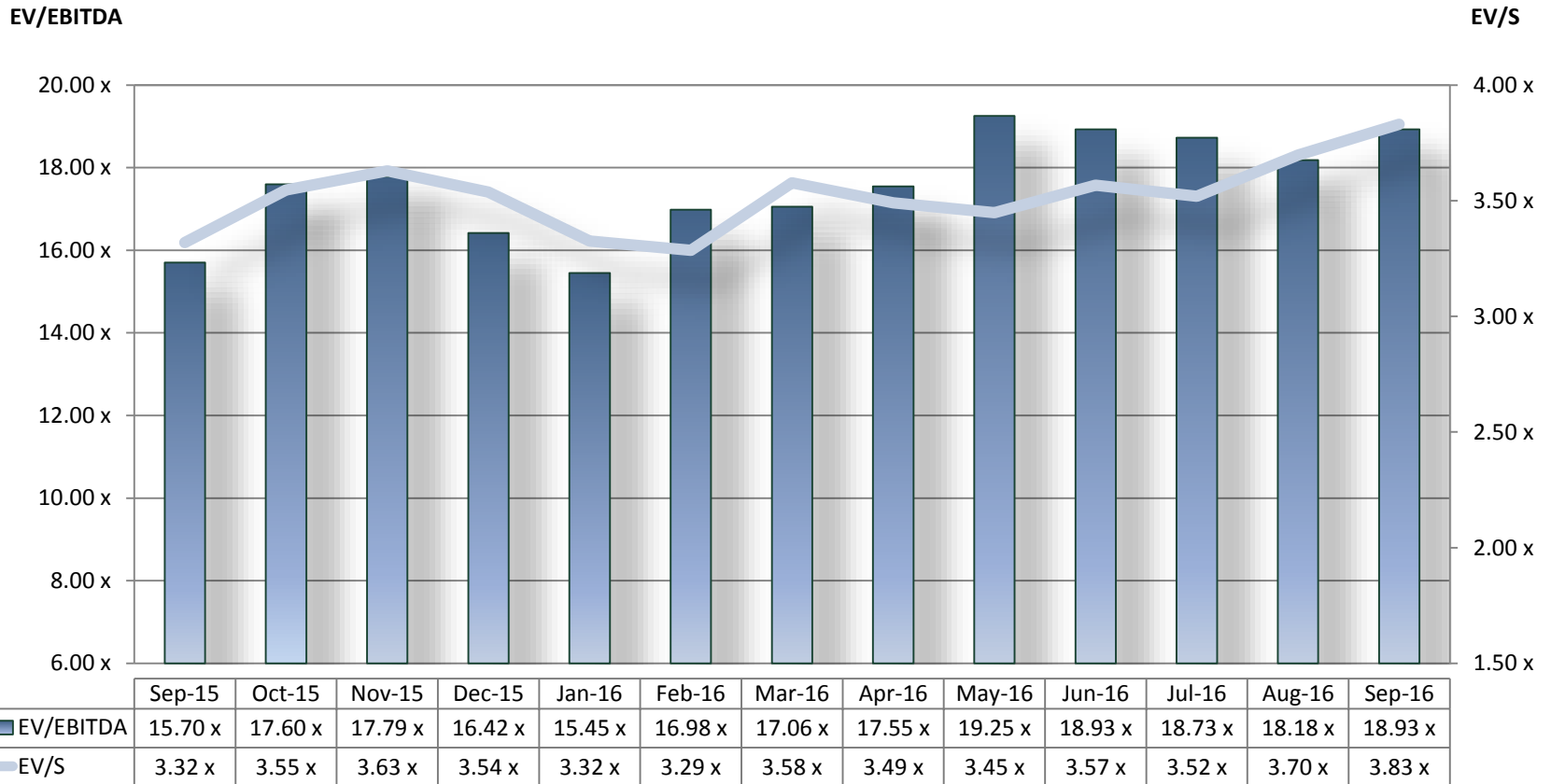


Target: Scene53 [Israel]
Acquirer: PLAYSTUDIOS [USA]

































- Real-time, multi-player mobile game development services for game publishers
- Rebranded into PLAYSTUDIOS Israel

Horizontal Application Software Market

Public Valuation Multiples



Horizontal Application Software Valuations

Subsector		Sales	EBITDA	Examples		
Business Intelligence		3.71x	15.91x			
Marketing & Ad Tech		1.66x	13.18x			
CRM		2.51x	18.79x			
ERP		2.88x	22.11x			
Human Resources		6.66x	29.89x			
SCM		6.85x	21.54x			
Payments		3.95x	16.42x			
Other		3.03x	18.64x			

Horizontal Application Software Valuations



Target: AppLovin Corporation [USA]
 Acquirer: Orient Securities Capital [China]
 Transaction Value: \$1.4B



VIZIO LeEco \$2.0B
 酷狗音乐 Tencent 腾讯 \$2.7B
 Playtika GIANT \$4.4B

LanguageLine Solutions Teleperformance \$1.5B
 MERKLE A Performance Marketing Agency dentsu AEGIS network \$1.5B
 AVNET Tech Data \$2.6B
 Rackspace Apollo \$4.3B

TRADER THOMA BRAVO \$1.2B
 SENSUS xylem Let's Solve Water \$1.7B
 PRESS GANEY IEQT \$2.2B
 Fleetmatics verizon \$2.4B
 Bats CBOE HOLDINGS \$3.2B

INTERACTIVE INTELLIGENCE Genesys \$1.4B
 APPLOVIN 东方证券 ORIENT SECURITIES \$1.4B
 Intelligrated Honeywell \$1.5B
 EMC² OPENTEXT ENTERPRISE CONTENT DIVISION \$1.6B
 EPICOR KKR \$3.3B
 NETSUITE ORACLE \$9.3B

Jet Walmart \$3.3B
 THOMSON REUTERS ONEX Intellectual Property Solutions \$3.5B
 YAHOO! verizon \$4.8B
 UBER 滴滴 \$7.0B

AVG avast! \$1.3B
 Infoblox Vista Equity Partners \$1.6B
 LogMeIn \$1.8B
 SIRIS Polycom \$2.0B
 intel Security TPG \$2.2B
 Hewlett Packard Enterprise Non-Core Software Assets MICRO FOCUS \$8.8B
 ARM SoftBank \$32.4B

CONSUMER
\$9.1B

IT SERVICES
\$9.9B

VERTICAL
\$10.7B

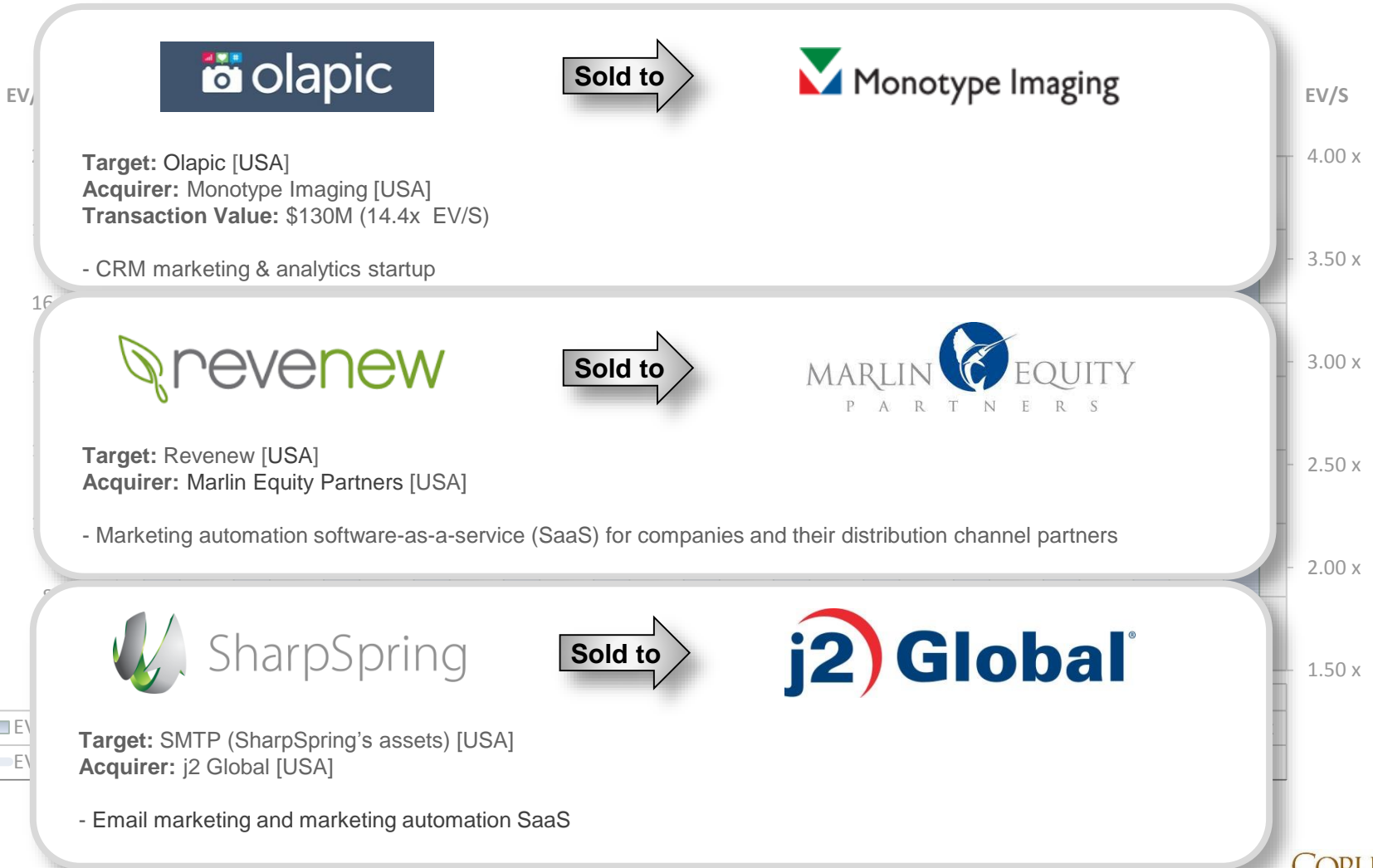
HORIZONTAL
\$18.5B

INTERNET
\$18.6B

INFRASTRUCTURE
\$50.1B

Horizontal Application Software Market

Deal Spotlight: Marketing Automation SaaS



Horizontal Application Software Market

Deal Spotlight: Customer Engagement

EV/



Sold to →



EV/S


Target: Pontis [Israel]
Acquirer: Amdocs [USA]
Transaction Value: \$85M (Estimated)

- Israeli customer service automation, customer analytics and marketing automation software company


4.00 x

3.50 x

16



Sold to →



EV/S


Target: TouchCommerce [USA]
Acquirer: Nuance Communications [USA]
Transaction Value: \$215M (3.6x EV/S)

- Customer engagement and customer analytics SaaS


3.00 x

2.50 x

2.00 x



Sold to →



EV/

EV/

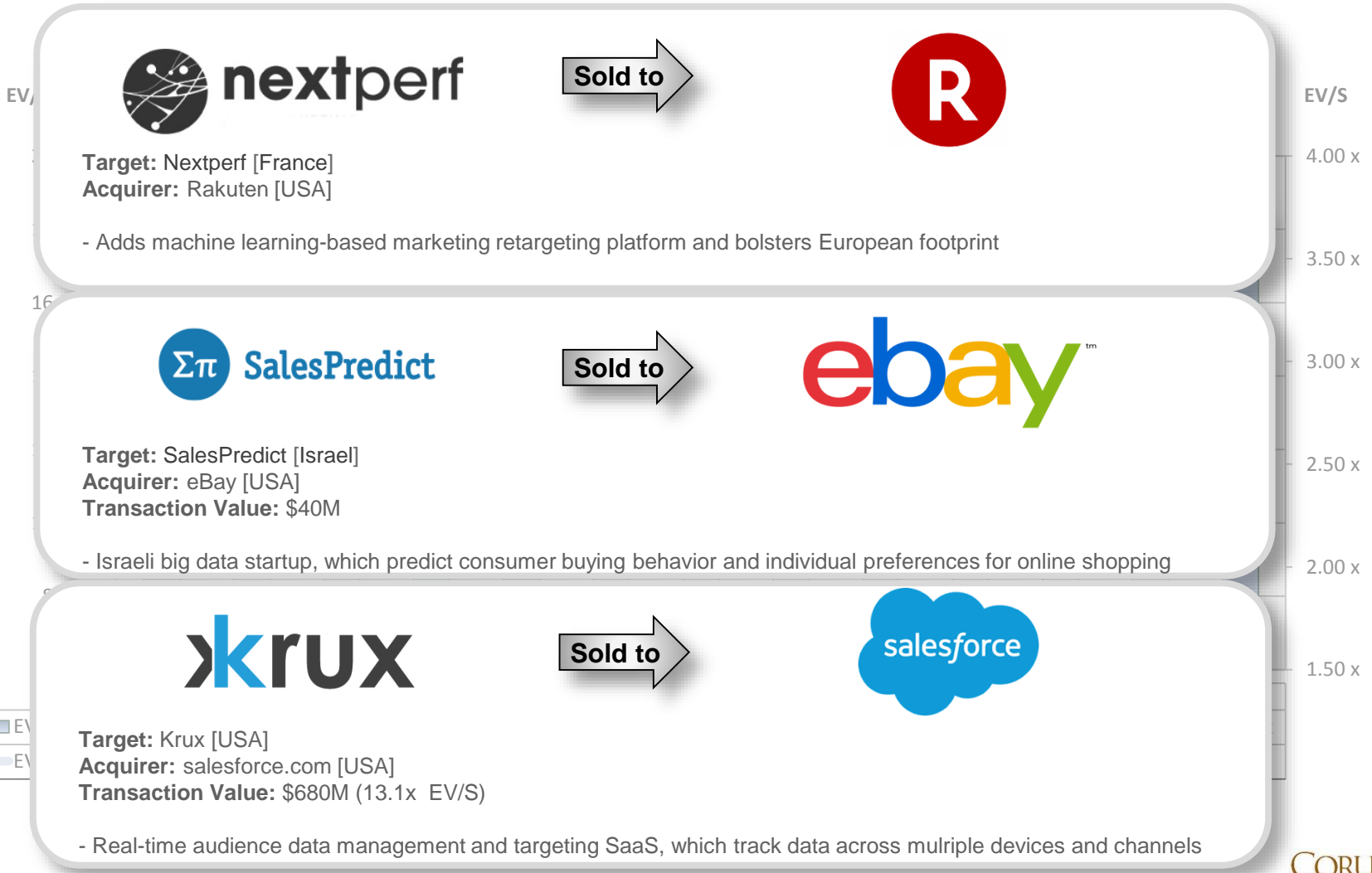
Target: Peerius [UK]
Acquirer: EPiServer [Sweden]

- London-based omnichannel personalization solutions, enabled with machine learning and big data

1.50 x

Horizontal Application Software Market

Deal Spotlight: AI-enabled Marketing

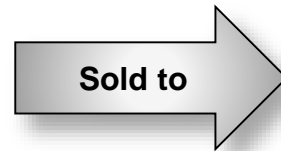




Infrastructure Software Market

Deal Spotlight: Application Management and Performance Monitoring

 **kanjoya**



Ultimate
SOFTWARE

Target: Kanjoya [USA]

Acquirer: Ultimate Software [USA]

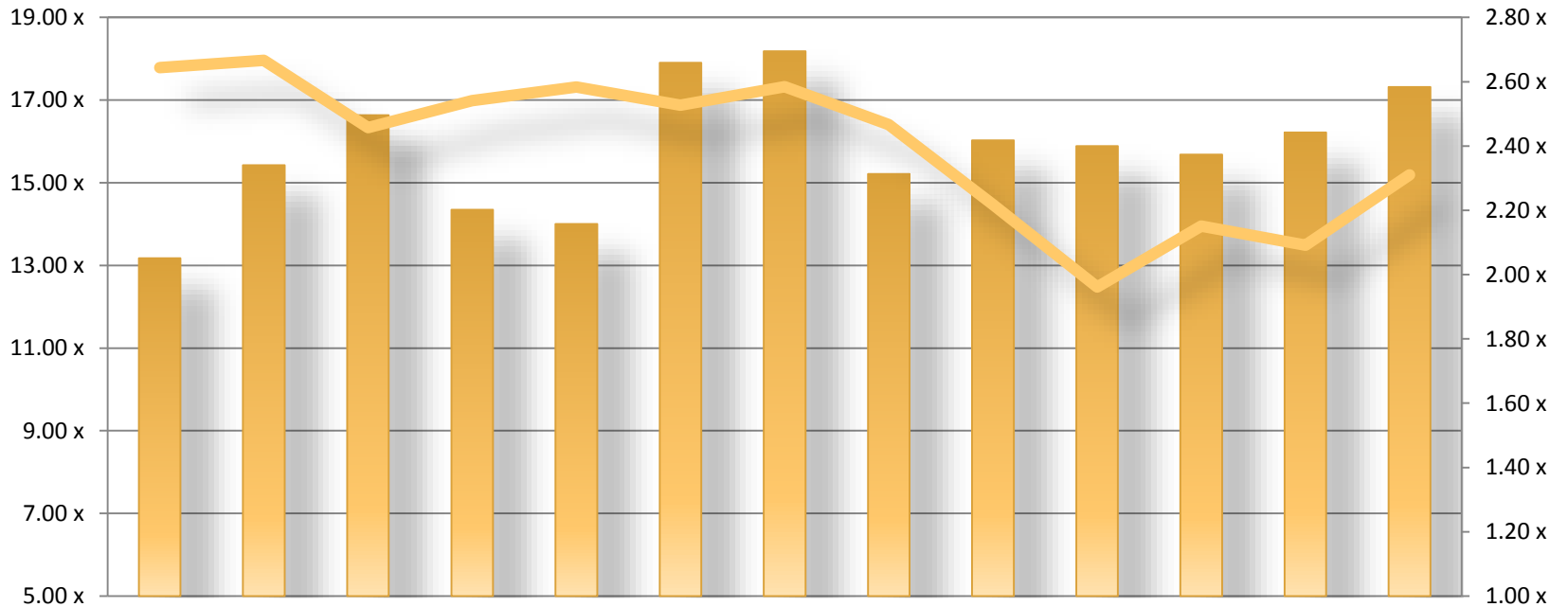
- AI-enabled workforce management and employee behavioral analytics SaaS
- Creates an additional R&D hub in San Francisco for Ultimate

Consumer Application Software Market

Public Valuation Multiples













EV/EBITDA

EV/S



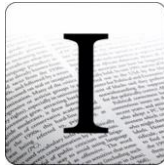
	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
EV/EBITDA	13.17 x	15.43 x	16.64 x	14.35 x	14.00 x	17.90 x	18.18 x	15.21 x	16.03 x	15.89 x	15.68 x	16.21 x	17.32 x
EV/S	2.64 x	2.67 x	2.46 x	2.54 x	2.58 x	2.53 x	2.58 x	2.47 x	2.22 x	1.96 x	2.15 x	2.09 x	2.31 x

Consumer Application Software Valuations

Subsector		Sales	EBITDA		Examples	
Casual Gaming		5.43x	31.80x			
Core Gaming		1.85x	9.93x			
Other		2.09x	55.58x			

Consumer Application Software Market

Deal Spotlights



Sold to



Target: Instapaper [USA]

Acquirer: Pinterest [USA]

- Social networking website that enables consumers globally to bookmark and share written online content such as recipes, pictures and videos



Sold to



Target: Trover [USA]

Acquirer: Expedia [USA]

- Mobile travel photos sharing application and website for consumers to post their vacation photos

Consumer Application Software Market

Deal Spotlight: Gaming



Consumer Application Software Market

Deal Spotlight: Gambling



Sold to



Target: 8Ball Games [UK]
Acquirer: Stride Gaming [UK]
Transaction Value: \$15.8M (1.1x EV/S)

- Online sports betting and gambling game website

Tarco

Sold to



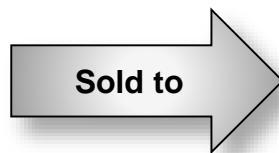
Target: Tarco [UK]
Acquirer: Stride Gaming [UK]
Transaction Value: \$23.9M (0.9x EV/S)

- Online bingo & casino-style gaming

Consumer Application Software Market

Deal Spotlight: Gambling

TonyBet 



betsson™ 

Target: TonyBet [Lithuania]

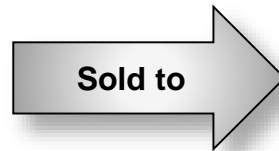
Acquirer: Betsson [Malta]

Transaction Value: \$4.5M

- Online sports betting and gambling game website
- Used by dozens of football and rugby teams around Europe and the UK helping measure and monitor player workload

Consumer Application Software Market

Deal Spotlight: Gambling



Target: PlayerTek [Ireland]

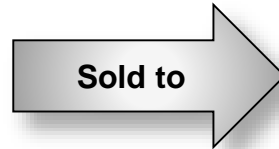
Acquirer: Catapult Group [Australia]

Transaction Value: \$2.7M

- GPS-based wearables and related analytics mobile application for sports teams and athletes
- Used by dozens of football and rugby teams around Europe and the UK helping measure and monitor player workload

Vertical Application Software Market

Deal Spotlight: Automotive



Target: SAIPS [Israel]

Acquirer: Ford Motor [USA]

- Deep learning algorithms for detection, image enhancement, 3D modeling and more
- The deal falls within all industry players' ongoing race to ship autonomous vehicles for ride sharing by 2020s

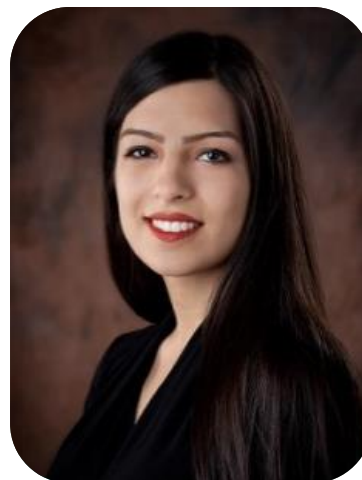
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Vice President,
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Amber Stoner
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