



Tech M&A Monthly

Forecast 2015: Part 2

Private Equity

19 February 2014

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
- Event Reports
- Field Report: Filemobile – acquired by Newzulu
- Research Report
- Private Equity Panel:
 - Martin Scott, The Riverside Company
 - John Hodge, RUBICON Technology Partners
 - Blair Greenberg, Bregal Sagemount
 - George Kase, Marlin Equity Partners
- Q&A

Conference Report: Casual Connect Europe



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.

TechChill Baltics



Mark Johnson
Vice President
Corum Group International



Mark's professional experience is as an M&A advisor, CEO of an IT company, Venture Capitalist, IT Management Consultant and Naval Officer. The thread throughout his career has been Information Technology, its commercialization, and its applications towards improving business effectiveness. His undergraduate education is from the U.S. Naval Academy in Annapolis, MD, where he received a degree in Systems Engineering.

In 2006 he spent one year at the Stockholm School of Economics attaining an MBA. Additionally, he was a semi-professional road cyclist and was ranked 1st in the U.S. Mid-Atlantic. He enjoys the challenges and dynamism involved with identifying new technology innovations with strong commercialization applications, particularly in an international setting where he has had the opportunity to work in numerous countries throughout Asia, the Middle East, Europe, and Africa.

Serving as a Naval Officer provided an exceptional leadership opportunity in a challenging and diverse environment.

Field Report: Filemobile



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.

Corum Research Report



Elon Gasper

Vice President, Director of Research

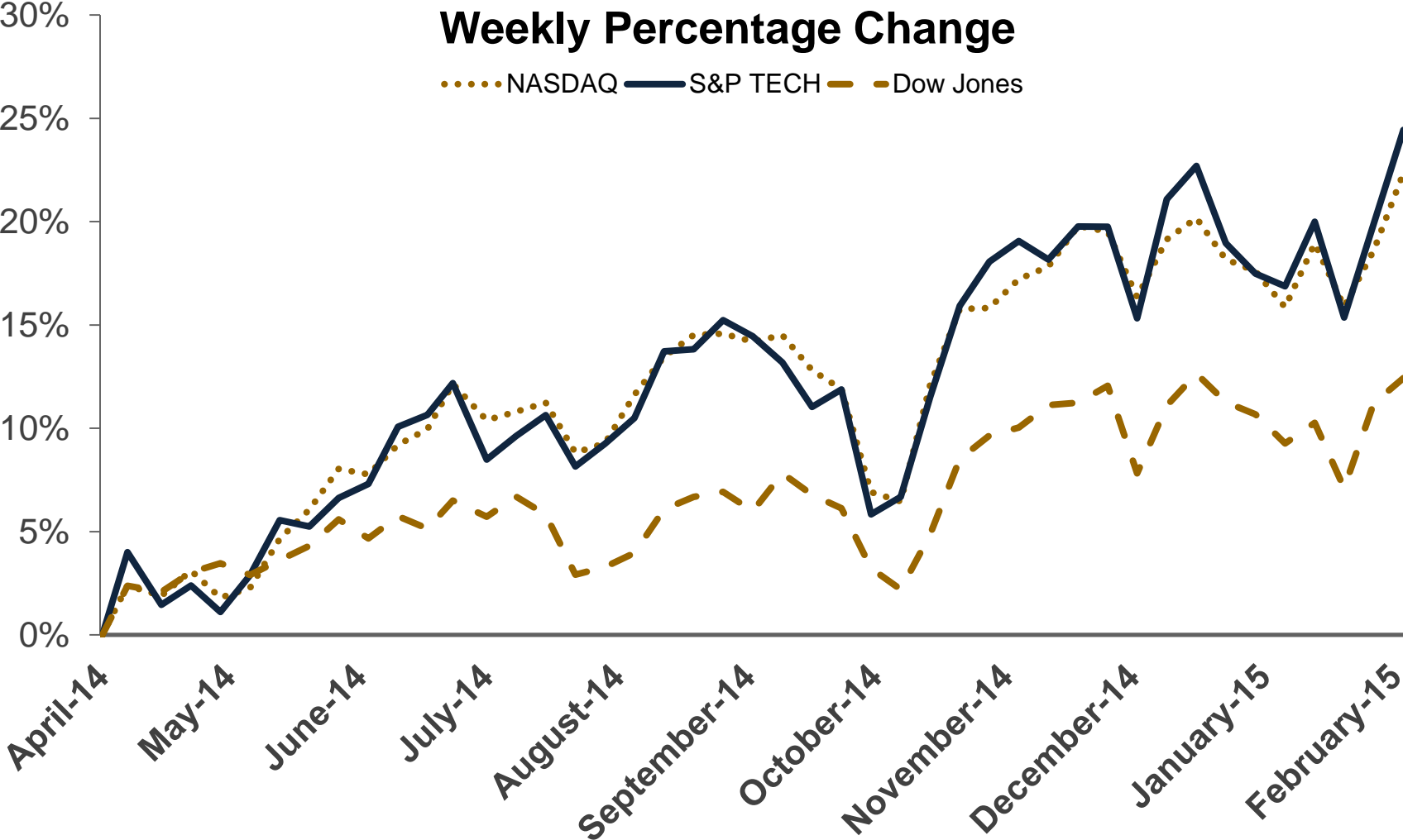
Elon Gasper founded pioneering animation and speech software company Bright Star Technology in the 1980s. With Corum's assistance he closed venture funding, expanded and then sold Bright Star to a public company in the early 90s. He holds 9 patents for his software innovations and was a finalist for the Fleugelman, the only personal achievement award given by the Software Publishers Association. He has also won a Traditional Game of the Year, a Best Practices for Product Innovation, a COMDEX Envision and a Codie, the retail software 'Oscar'.

After Bright Star, Elon went on to drive development, business and marketing strategies in a variety of companies and roles, including Chief Technologist in entertainment giant Vivendi Universal's Sierra Online division; Senior VP at VizX Labs, a pioneering SaaS business delivering DNA analysis tools to scientists; and participant in a number of other start-ups, notably in the medical device, geoweb and telecommunications spaces. Elon earned his MS in Computer Science and BS in Biochemistry from Michigan State University.

Public Markets

Weekly Percentage Change

.....NASDAQ — S&P TECH - - - Dow Jones

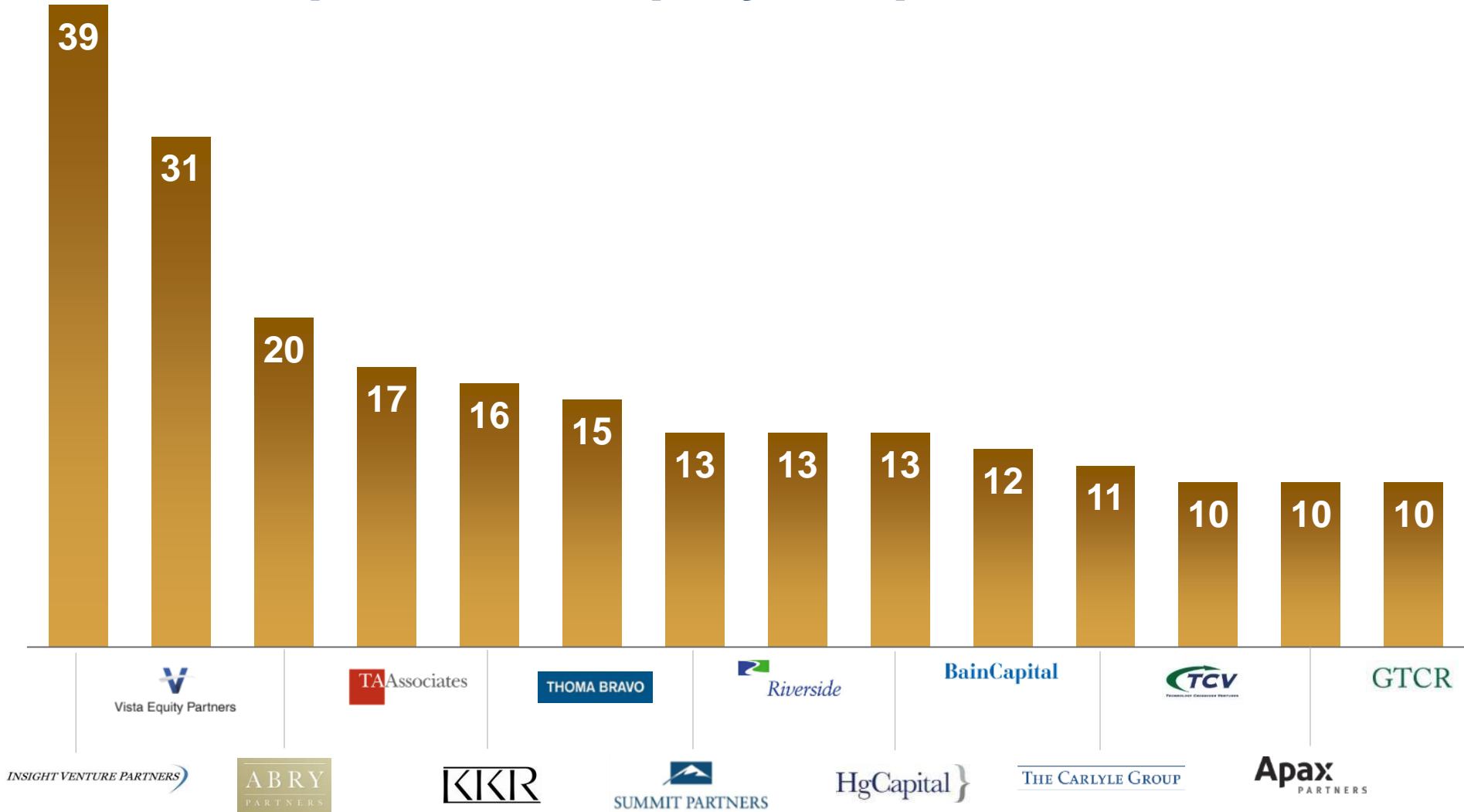


Corum Index

	Jan. 2014	Jan. 2015
# of Transactions	318	357
# of Mega Deals	5	1
Largest Deal	\$3.2B	\$3.0B
Private Equity Deals	18	16
# VC backed Exits	62	38
% Cross Border Transactions	33%	31%
% of Startup Acquisitions	13%	8.5%
Average Life of Target	16	15

Buyer	Seller	Price
CommScope	TE Connectivity	\$3.0B

Top Private Equity Acquirers: 2014



Top Private Equity Acquirers: 2014

2013 Deals: 23 2014 Deals: 39



Top Private Equity Acquirers: 2014

2013 Deals: 23 2014 Deals: 39

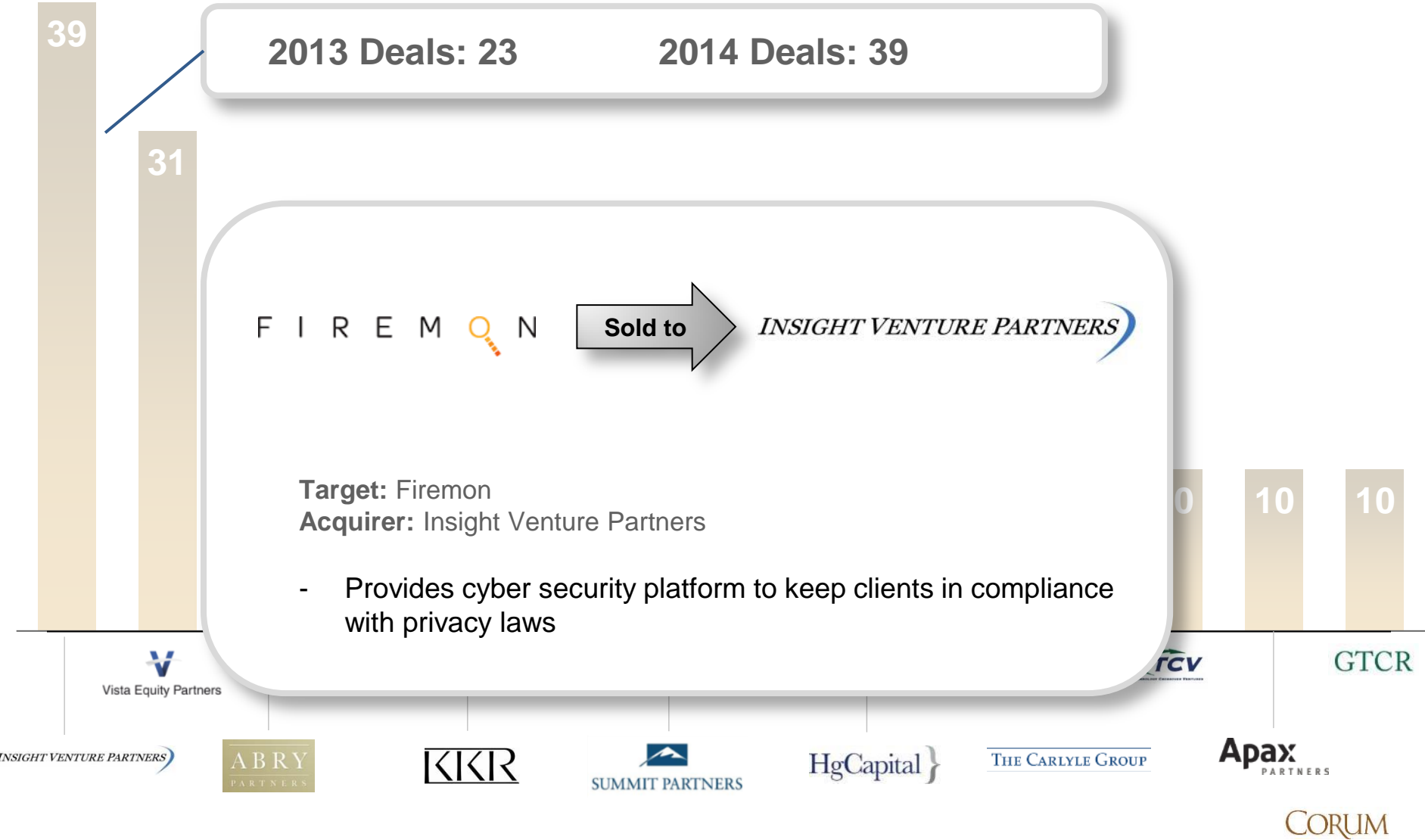
F I R E M O N



INSIGHT VENTURE PARTNERS

Target: Firemon
Acquirer: Insight Venture Partners

- Provides cyber security platform to keep clients in compliance with privacy laws



Top Private Equity Acquirers: 2014

39

2013 Deals: 23

2014 Deals: 39

31



Target: Scorpion Software [Canada]
Acquirer: Kaseya [Insight Venture Partners]
Transaction Value: \$20 million

- Provides authentication, password management and single sign on (SSO) SaaS

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CV

GTCR

Vista Equity Partners

Apax PARTNERS

CORUM

INSIGHT VENTURE PARTNERS

ABRY PARTNERS

KKR

SUMMIT PARTNERS

HgCapital }

THE CARLYLE GROUP

Top Private Equity Acquirers: 2014



Top Private Equity Acquirers: 2014

39



Sold to



Vista Equity Partners

Target: TIBCO Software Inc.
Acquirer: Vista Equity Partners
Transaction Value: \$4.3 Billion

31



Sold to



Vista Equity Partners

Target: TransFirst
Acquirer: Vista Equity Partners
Transaction Value: \$1.5 Billion



Sold to



Vista Equity Partners

Target: Advanced Computer Software Group
Acquirer: Vista Equity Partners
Transaction Value: \$1.1 Billion

12

11

10

10

10



Vista Equity Partners



GTCR

INSIGHT VENTURE PARTNERS

ABRY PARTNERS

KKR

SUMMIT PARTNERS

HgCapital

THE CARLYLE GROUP

Apax PARTNERS

CORUM

Top Private Equity Acquirers: 2014

39

31

2013 Deals: 18

2014 Deals: 31

NAVEX GLOBAL™

Sold to



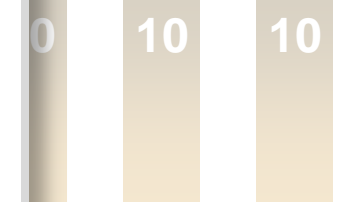
Vista Equity Partners

Target: NAVEX Global

Acquirer: Insight Venture Partners

Transaction Value: \$550 Million

- Compliance and ethics software provider
- Created by a 2012 rollup of 4 GRC firms by Riverside



Vista Equity Partners

CV

GTCR

INSIGHT VENTURE PARTNERS

ABRY PARTNERS

KKR

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THE CARLYLE GROUP

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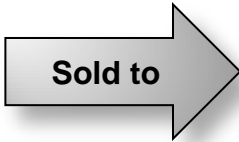
Top Private Equity Acquirers: 2014



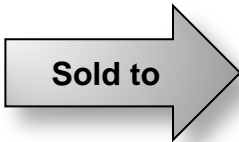
Top Private Equity Acquirers: 2014

39

31



Target: KORE Wireless
Acquirer: ABRY Partners
Transaction Value: \$300 Million



Target: RacoWireless
Acquirer: ABRY Partners
Transaction Value: \$150 Million

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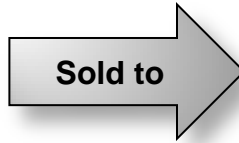
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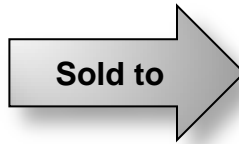
Top Private Equity Acquirers: 2014

39

31



Target: Inmar
Acquirer: ABRY Partners



Target: Hopster
Acquirer: Inmar [ABRY Partners]

10

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10



Private Equity Acquirers 2012 - 2014





Vertical Market

Public Valuation Multiples

Since Q4

Jan. 2015

Corum Analysis



3.6x

Notable dip echoes similar September pullback, which led to immediate rebound.



14.8x

EBITDA metrics still tightly tracking sales multiples.



Vertical Market

Deal Spotlights



Sold to



Riverside

Sector: Healthcare
Target: Greenphire Inc.
Acquirer: The Riverside Company

- SaaS for clinical research payment processing management and analytics
- Enables sponsors, CROs and research sites to drive strategic value through analytics and optimize compliance
- Includes software to manage and automatically deliver patient payments for clinical trials participation and compliance



Vertical Market

Deal Spotlight



Sector: Healthcare
Target: ClinGenuity
Acquirer: Synchronix

- Artificial Intelligence-assisted medical writing service
- Synchronix was a 2014 bolt-on acquisition to Certara, bought in 2013 by PE Arsenal Capital



Consumer Technology Market

Public Valuation Multiples

Since Q4

Jan. 2015

Corum Analysis



2.2x

Slides back to early 2014 levels as markets confront the challenges of predicting consumer behavior...



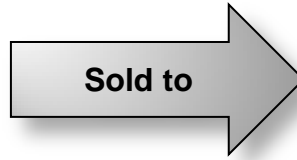
12.2x

...shifting value emphasis to companies' profitability, maintaining high valuation levels.



Consumer Technology Market

Deal Spotlight



FALFURRIAS CAPITAL

Sector: Education
Target: The Online Traffic School
Acquirer: Falfurrias Capital

- E-learning provider of 45 driver safety and driver improvement courses across 28 states.



CIP CAPITAL

Sector: Education
Target: DriversEd.com
Acquirer: CIP Capital

- Online and behind-the-wheel driver education solutions to teenagers.



Consumer Technology Market

Deal Spotlight

aspiro

Sold to

JAY-Z

Sector: Entertainment

Target: Aspiro [Sweden]

Acquirer: Jay Z firm Project Panther Bidco Ltd. [S. Carter Enterprises]

Transaction Value: \$56 million

- Music streaming services: Sweden-based Tidal and Norway-based WiMP
- Ability for Aspiro to expand and up-scale technology while competing with Spotify

Corum Research Report



Elon Gasper

Vice President, Director of Research

Elon Gasper founded pioneering animation and speech software company Bright Star Technology in the 1980s. With Corum's assistance he closed venture funding, expanded and then sold Bright Star to a public company in the early 90s. He holds 9 patents for his software innovations and was a finalist for the Fleugelman, the only personal achievement award given by the Software Publishers Association. He has also won a Traditional Game of the Year, a Best Practices for Product Innovation, a COMDEX Envision and a Codie, the retail software 'Oscar'.

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Panel Moderator



Nat Burgess
President
Corum Group Ltd.

Nat joined Corum in 1996 and brings a diverse background in technology M&A and law. While with the Enforcement Division of the U.S. Securities and Exchange Commission, Nat helped identify and build cases against securities fraud schemes. With the Strategic Development Division of Morgan Stanley's M&A group, Nat worked on cross-border acquisitions of U.S. and European companies by Japanese firms, and on financings by large Japanese public companies. Nat moved to Morgan Stanley's Tokyo office, where he reported directly to the President of Morgan Stanley, Japan Ltd. and focused exclusively on cross-border M&A.

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

Nat earned an undergraduate degree in Japanese literature from Yale College and a law degree from UCLA. While in law school, Nat wrote articles for the International Forum at Yale, Tokyo Journal.

Private Equity Panel – The Year Ahead



Dr. Martin Scott
The Riverside
Company



John Hodge
RUBICON Technology
Partners



Blair Greenberg
Bregal Sagemount



George Kase
Marlin Equity
Partners

Special Guest



Dr. Martin Scott
Riverside Europe Partners LLP
Partner



Dr. Martin Scott joined Riverside's London team as a Transacting Partner in 2012. Prior to Riverside, Martin was a Managing Partner at KPMG in London, heading the European Operations and Strategy Practice in the Transaction Services department. Previously, he was a Managing Director at Crownway Investments and a consultant at McKinsey & Company. Martin holds a Bachelor in Computer Science from Trinity College Dublin and a PhD in Machine Learning and Artificial Intelligence from Cambridge University.

Special Guest



John Hodge
RUBICON Technology Partners
Partner



John Hodge is a Partner at RUBICON Technology Partners. Previously, he was a Senior Managing Director and Senior Advisor at Blackstone in the Private Equity group focused on the firm's global technology investing activities from 2006 through 2011. John was responsible for sourcing, evaluating, executing, and managing investments across all segments of the technology industry with a primary focus on Blackstone's West Coast investing activities. He was directly involved in Blackstone's investments in Freescale Semiconductor, SunGard and SunGard Higher Education.

John has over 22 years of experience focused exclusively on the technology industry, including serving as one of the original team members of the Credit Suisse First Boston (CSFB) Technology. During his career at CSFB, John was involved in over 250 technology financings and M&A transactions mostly focused on assisting middle market technology companies to achieve transformative growth. John received a BS in Biology from Stanford University.

Special Guest



Blair Greenberg
Bregal Sagemount
Vice President



BregalSagemount

Blair Greenberg is a Vice President at Bregal Sagemount. Prior to Sagemount, Blair was a Vice President at Technology Crossover Ventures (TCV) where he focused on investing in technology and financial services companies. Prior to TCV, Blair worked for UBS Investment Bank in the Financial Institutions Group. At UBS, Blair focused on mergers & acquisitions and capital raising transactions for financial technology, asset management, and specialty finance companies. Blair received a B.S. in Business Administration with a concentration in Finance from the Kelley School of Business at Indiana University, graduating with High Distinction and an MBA with concentrations in Finance, Management & Strategy, and Marketing from the Kellogg School of Management at Northwestern University.

Special Guest



George Kase
Marlin Equity Partners
Partner



Mr. Kase is a Partner and member of the Marlin Heritage Investment Committee. His primary responsibilities at Marlin include deal qualification, conducting due diligence, transaction execution and portfolio monitoring. Prior to joining Marlin, Mr. Kase was a management consultant for McKinsey & Company and an investment banker with CIBC, focused on mergers and acquisitions. He earned an M.B.A. from Stanford University and a B.A. in Economics from the University of California, Los Angeles, where he was an Academic-All American and team captain of the football team.

Private Equity Panel – The Year Ahead



Dr. Martin Scott
The Riverside
Company



John Hodge
RUBICON Technology
Partners



Blair Greenberg
Bregal Sagemount



George Kase
Marlin Equity
Partners

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

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. 3: **London** – MB

Mar. 19: **Austin** – MB

Mar. 4: **Dublin** – MB

Mar. 20: **Houston** – MB

Mar. 11: **Madrid** – SUSO

Mar. 20: **Riga** – MB

Mar. 12: **Lisbon** – SUSO

Mar. 24: **Orlando** – MB

Mar. 17: **Copenhagen** – SUSO

Mar. 26: **Miami** – MB

Mar. 17: **Detroit** – SUSO

Apr. 14: **Atlanta** – MB

Mar. 18: **Stockholm** – MB

Apr. 15: **Paris** – MB

Mar. 19: **Tallinn** – MB

Apr. 22: **Munich** – MB

www.CorumGroup.com/Events

CORUM

After the Deal – Celebration





www.corumgroup.com