

Tech M&A Monthly Starts in 2 minutes



Questions? Comments?
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CORUM
MERGERS & ACQUISITIONS

Events Insights Our Team FAQ

ABOUT VALUATIONS & PROCESS TRANSACTIONS RESOURCE CENTER CONTACT

TECH M&A FOR CEOS, BY CEOS.

With the most senior dealmakers leading the most successful tech M&A process in history, Corum has sold more software and related technology companies than anyone. Is it time for you to take the next step with Corum?

I want to sell and get in touch with an advisor immediately.

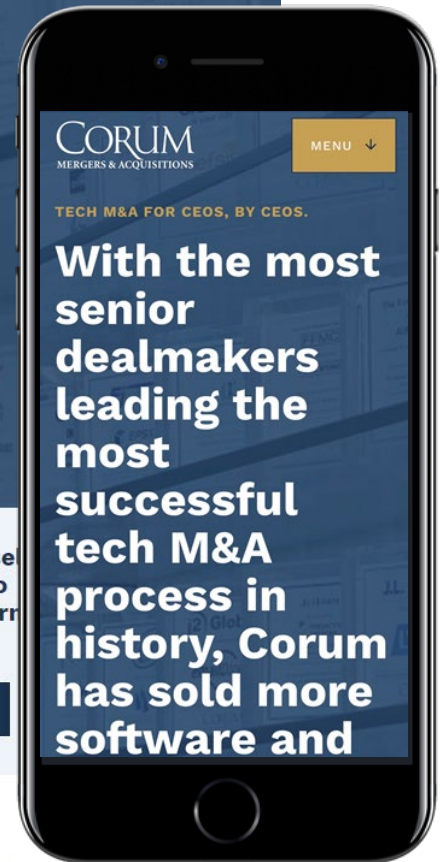
[CONTACT US →](#)

I am thinking about selling and would like more information.

[ABOUT CORUM →](#)

I'm not ready to sell yet, but want to research and learn about M&A.

[RESOURCE CENTER →](#)



34

Years in business

20+

Advisors worldwide

\$10B

In wealth created

325+

Closed transactions

Past Attendees Include



IHS Markit®



Microsoft



DELL EMC



SONY®



SYNOPSYS®

PTC®

T-Mobile

Digital
River®



NEC

- **Private Equity Panel**
- **Buyers Panel**
- **Top Acquirer Profiles: Google, Accenture**
- **Valuation Strategy**
- **Planning for Post-Acquisition Success**
- **Special Reports: SaaS, Mobile, Gaming, France, Canada, Payments, Agtech, Security**

Tech M&A Monthly

Starts in 1 minutes



Questions? Comments?
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MERGE BRIEFING

- **90 Minutes**
- **Industry Update**
- **Overview of the M&A Process**





- **Half-Day**
- **Tech M&A Bootcamp**
- **The most attended tech executive conference in history**



8 Stages for an Optimal Outcome





MERGE BRIEFING



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CORUM

Tech M&A Monthly

**Are You Worried About
Your Company's Future?**



BRUCE MILNE, CEO, CORUM GROUP



- Founded or owned four software companies, including AMI, an Inc. 500 firm rated by IDC as the fastest growing computer-related company in the world
- Advisory boards for Microsoft, IBM, DEC, Comdex and Apple
- 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
- Founder of the WTIA, the nation's most active regional technology trade association
- Worked with the Canadian government to found SoftWorld
- One of the 200 most influential individuals in the IT community in Europe
- American juror for the recent Tornado 100 Awards given to Europe's top technology firms
- Graduate with Distinction from Harvard Business School

We welcome your questions!

**Use the Q&A box during
the webcast**

**Email questions to
info@corumgroup.com**

Welcome

Field Reports

Deal Reports

Quarterly Global Tech M&A Research Report

Special Report: Worried About Your Company's Future?

5 Actions to Preserve Value Now

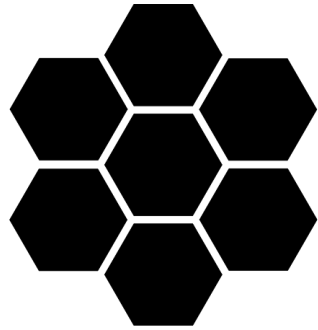
What Happens to Valuations During a Recession?

6 Questions Every Software Company Owner Has to Ask

7 Steps to a Virtual Merger

5 Major Benefits to a Process

What Buyers Are Saying



SOFTWARE INVESTMENTS

Contact:
GinaS@corumgroup.com



Matthew Rung

Director, World Financial Symposiums

WFS EDUCATING
TECHNOLOGY
LEADERS

Growth & Exit Strategies

For Software & IT Companies
Managing & Selling During Crisis
VIRTUAL





Interested in Attending?

Email

director@wfs.com

DR. IVAN RUZIC, SR. VICE PRESIDENT, CORUM GROUP



- 30+ year career in the software business, in virtually every senior executive role
- Resume spans marquee companies such as BEA Systems, Novell, and Borland
- International M&A experience United States, Europe, Africa, and Asia
- Expert in building value and realizing wealth
- Ivan joined Corum Group, the world's leading software M&A firm, with a specific focus on educating and helping prospective sellers maximize the value of their technology companies
- PhD in Chemistry, Monash University and degrees in Information Technology, Chemistry, and Biochemistry



has acquired



Corum acted as exclusive M&A advisor to Light Point Security

CORUM
MERGERS & ACQUISITIONS

DAVID LEVINE, SR. VICE PRESIDENT, CORUM GROUP



- Dave joined Corum in 2015 and has a diverse background in technology and life sciences. As an executive and entrepreneur, Dave has been operating and investing in companies sitting at the convergence of commerce and eCommerce as well as innovative life science businesses for over 25 years.
- Recently, Dave was CEO North America for Gaxsys, an eCommerce and logistics company that is a leader in last mile logistics and fulfillment for eCommerce marketplaces.
- Dave sits on boards of numerous public and private companies, including one that recently filed for an IPO.



TITANGPS

has acquired the CAMS Business from



AWARE³⁶⁰

Corum acted as M&A advisor to Aware360

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MERGERS & ACQUISITIONS

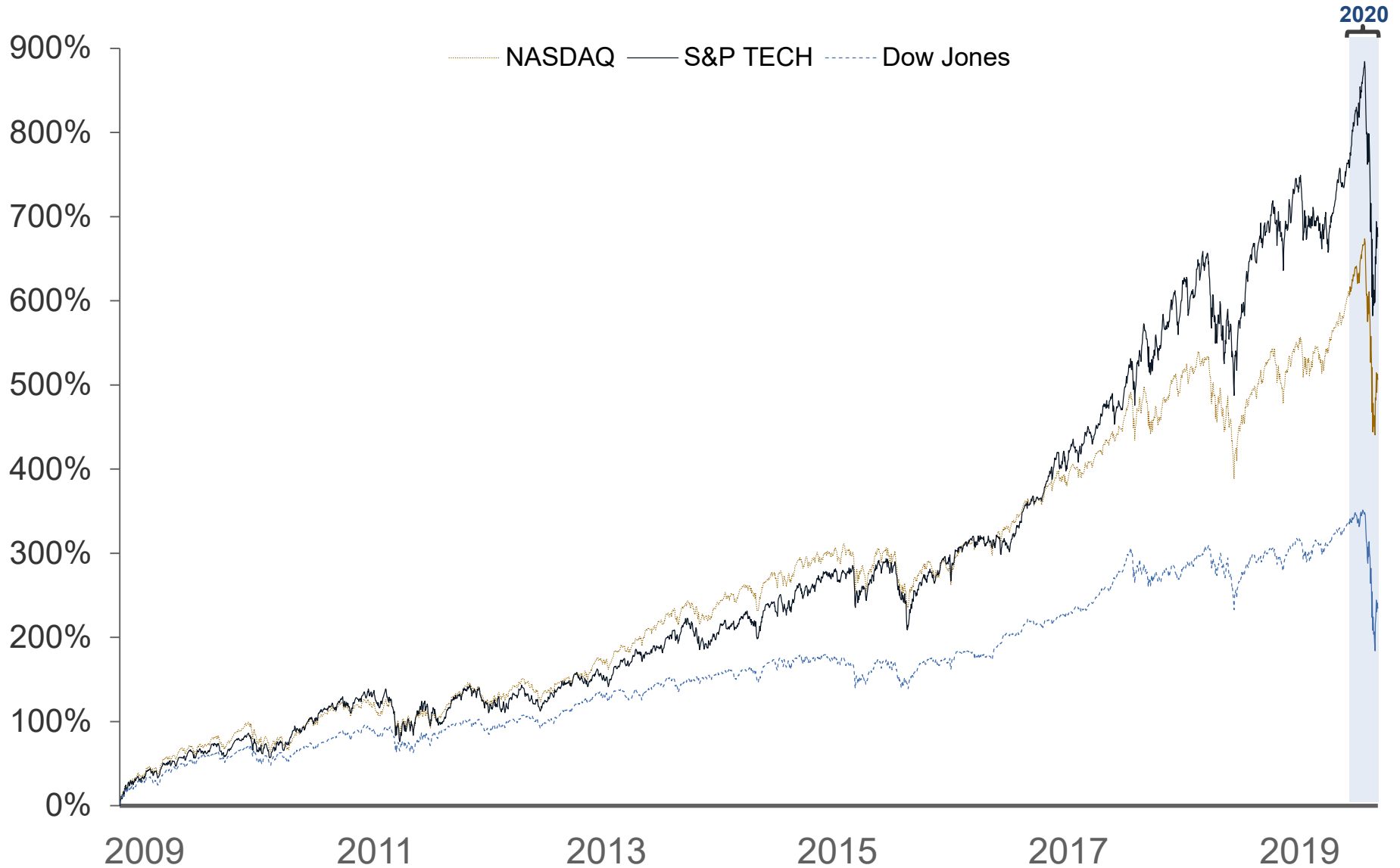
Tech M&A Research Report



Elon Gasper,
EVP, Research

Public Markets 2009-2020

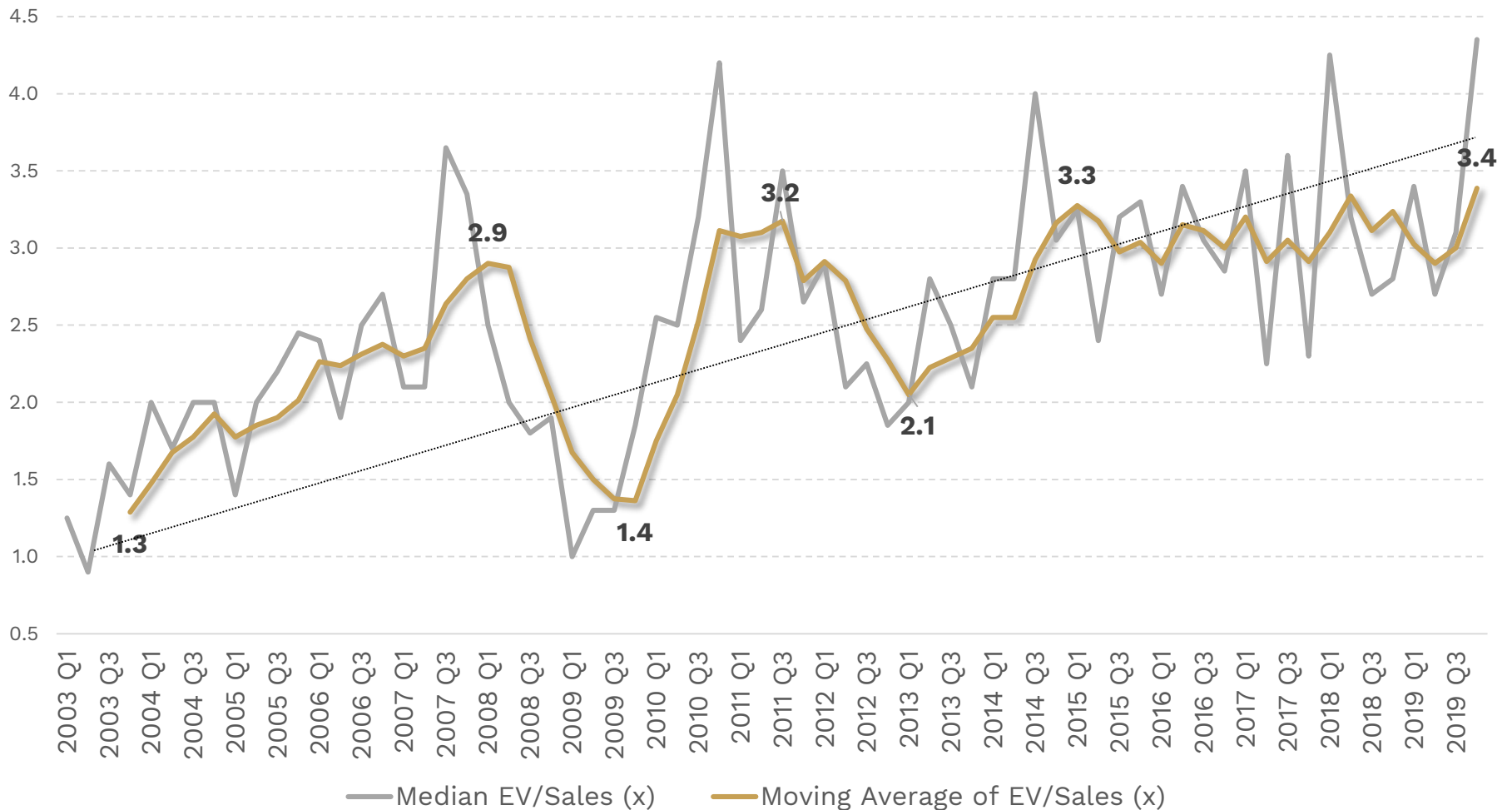
% CHANGE



MAY 14 Special Report: The Pandemic and Tech M&A

- **2020 Deal data and outlook**
- **Valuation in a changed world**
- **Pandemic effects on Tech M&A**
- **Recession effects on operations**
- **Sectors shuffled**
- **What's an optimal outcome now?**

Tech M&A Valuations 2003-2019



Strategic



Private Equity



Other



2013

Strategics 210

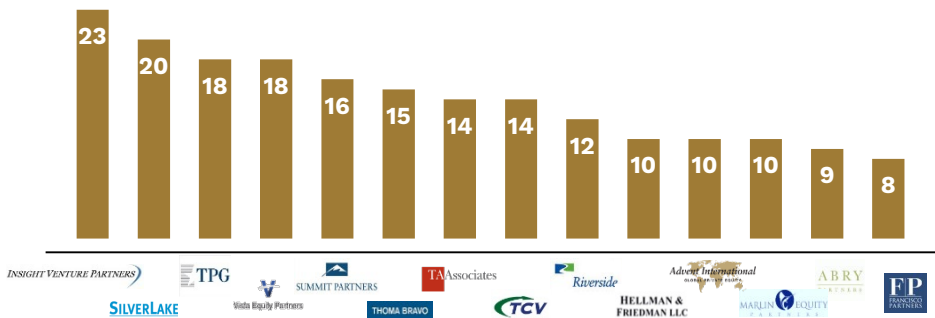


2018

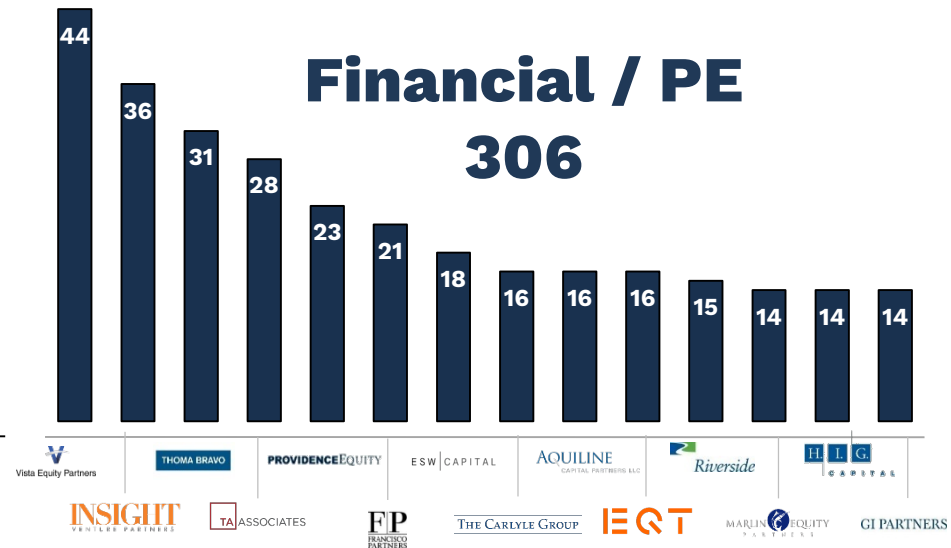
Strategics 210



Financial / PE 197



Financial / PE 306



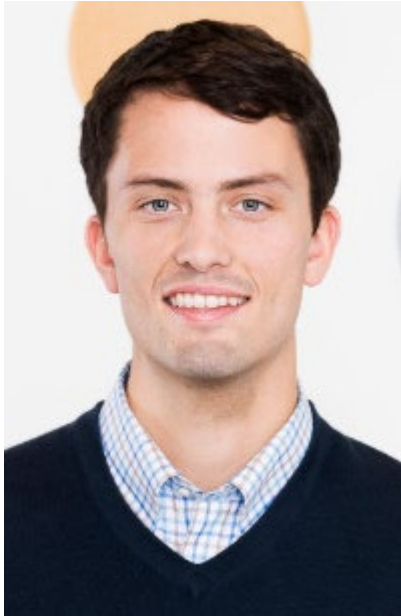
Financial Buyers in 2020

“Buying Machines”

More acquisitions

More money - \$3+ TRILLION

Using Portfolio Companies



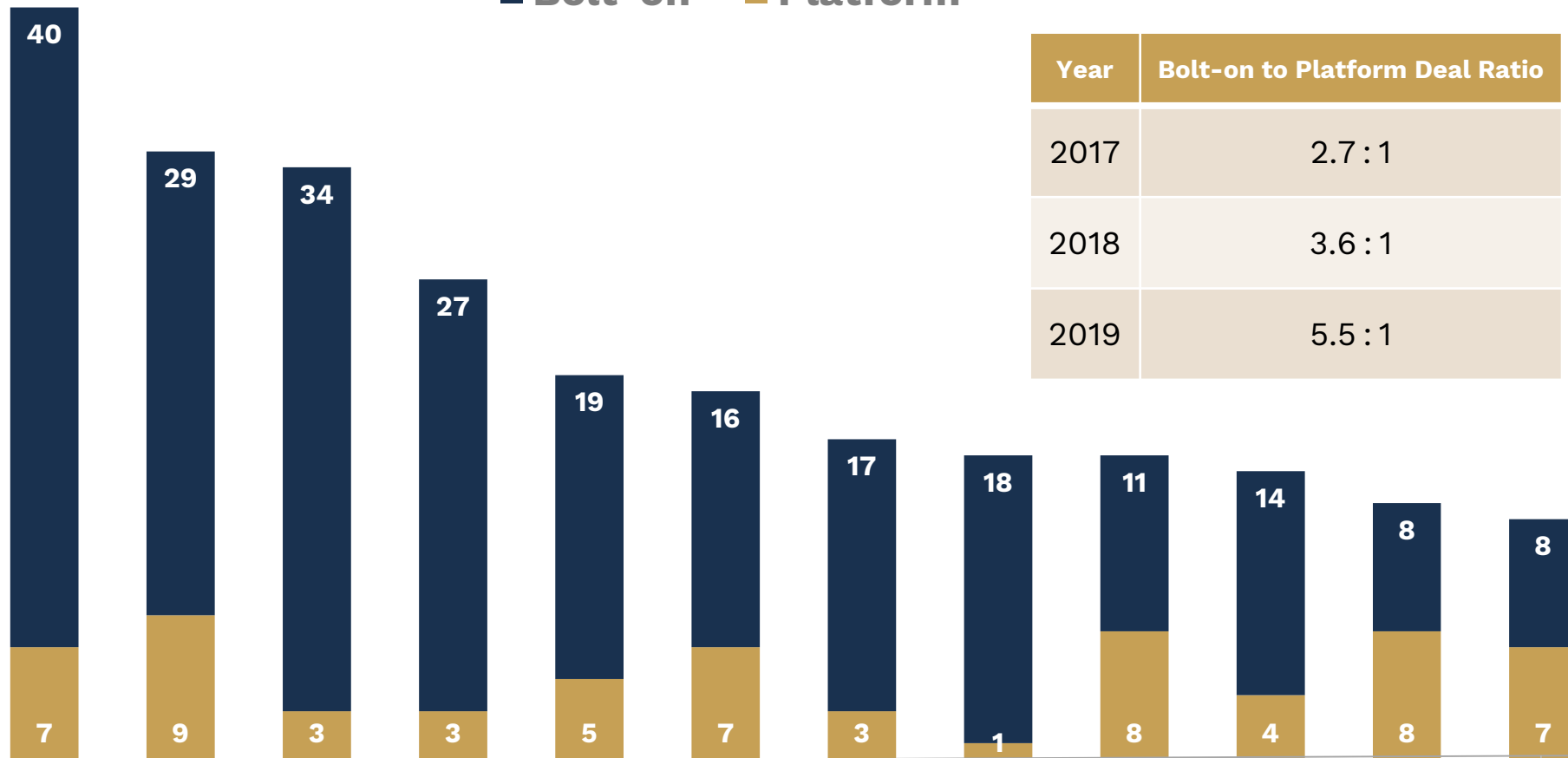
Patrick Eble
Investment Professional

“90% of our acquisitions
are bolt-ons”

ALPINE

PE Platform vs Bolt-on Acquisitions

■ Bolt-on ■ Platform



Year	Bolt-on to Platform Deal Ratio
2017	2.7 : 1
2018	3.6 : 1
2019	5.5 : 1

VISTA
EQUITY PARTNERS

TA ASSOCIATES

FP
FRANCISCO PARTNERS

Hg

KKR

BainCapital

THOMABRAVO

INSIGHT
PARTNERS

PROVIDENCEEQUITY

AQUILINE
CAPITAL PARTNERS LLC

AKKR
ACCEL-KKR

MARLIN EQUITY
PARTNERS

Constellation

SOFTWARE ACQUISITIONS 2019

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CONSTELLATION
SOFTWARE
INC.

The 2019 Top Volume Acquirer 75 Total Acquisitions




		<p>Plus 9 more</p>
		<p>Plus 8 more</p>
		<p>Plus 9 more</p>
		<p>Plus 6 more</p>
	<p>Horizon Retail Solutions business</p>	

Tech Giants - Then & Now

Company	Cash THEN	Cash NOW	Stock THEN	Stock NOW	Market Cap NOW
 Microsoft	\$24M	\$134B	\$20	\$165	\$1,269B
 Google	\$16M	\$120B	\$314	\$1,187	\$827B
 Apple	\$22M	\$101B	\$88	\$262	\$1,165B
 amazon	\$4M	\$43B	\$51	\$1,200	\$1,008B
 ORACLE®	\$11M	\$27B	\$17	\$51	\$164B

*Then: Jan 2009

**Now: Apr 2020

Sector	2015	2020	Change
Real Estate	6.48x	3.92x	 40%
Social Media	11.56x	5.76x	 50%
Energy	3.29x	2.53x	 23%

The pendulum eventually swings back to “normal...”

**Special Report:
Worried About Your Company's
Future? You Should Be.**

Worried About Your Company's Future? You Should Be.

“Ride it out.”

**“We felt strongly
there were better
values ahead.”**

5 Actions to Preserve Value Now

5 Actions to Preserve Value Now

- 1. Reduce non essential staff immediately**
- 2. Cash is king, cut all unnecessary expenses**
- 3. Set up lines of credit/take down to limit**
- 4. Focus on core business, triage the rest**
- 5. Think long haul, recessions take awhile**

Worried About Your Company's Future? You Should Be.

Many took our advice.

**In the following years, we sold
over **150+** of them.**

**Worried About Your Company's
Future? You Should Be.**

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Today is different

What Happens to Valuations When Markets Fall?

- 1. Denial & Isolation**
- 2. Anger**
- 3. Bargaining**
- 4. Depression**
- 5. Acceptance**

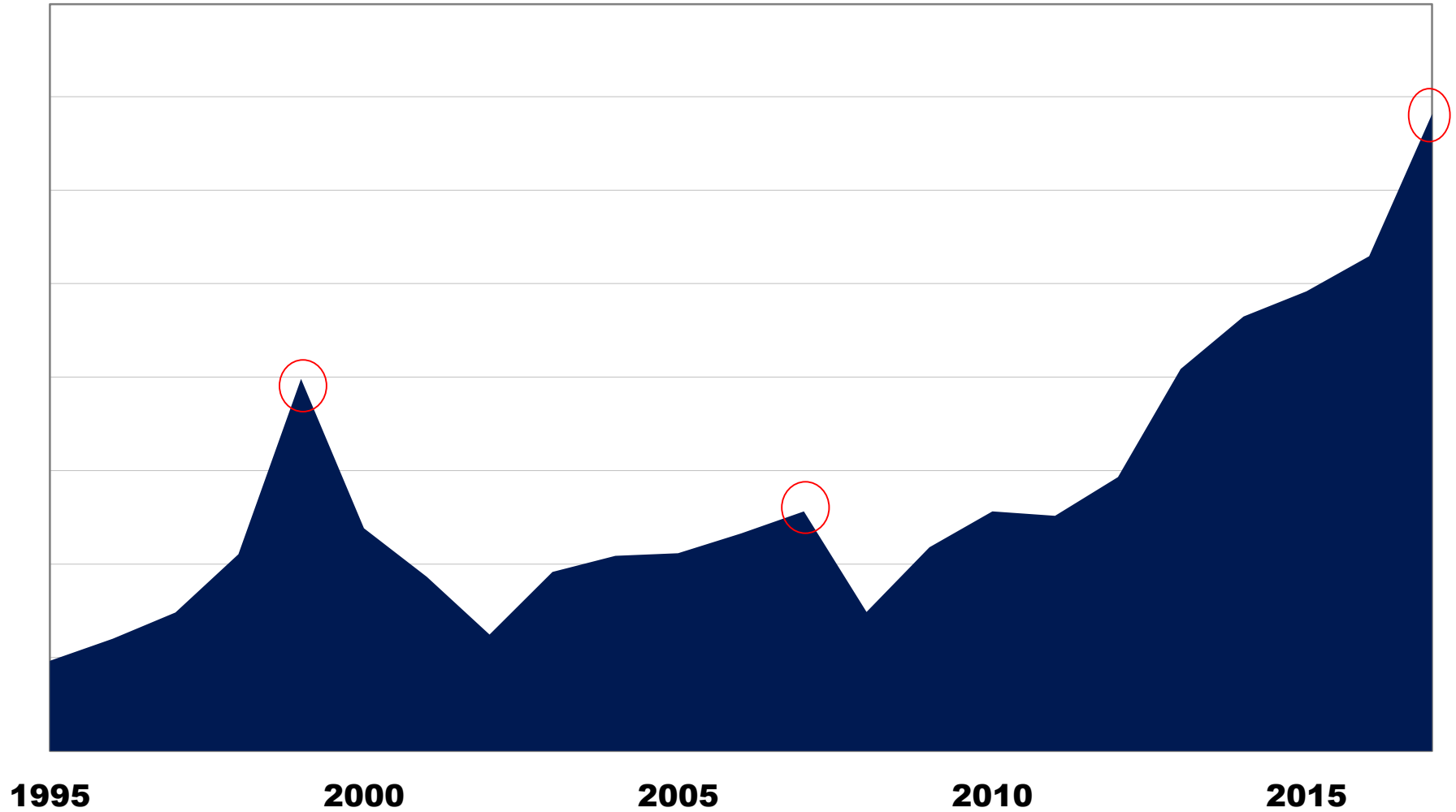
**You need to get to
acceptance fast.**

Hunkering Down... Wealth to Ashes Trap

You May Miss the M&A Window

Get to Market Now

M&A Follows Cycles



18 Months After Crash

- **40% Drop in Valuation**
- **50% of Buyers Leave**
- **3-7 Years to Recover**

Seller's Market

\$70 million dollar deal

- All cash at closing

On the Way Down...

\$50 million dollar deal

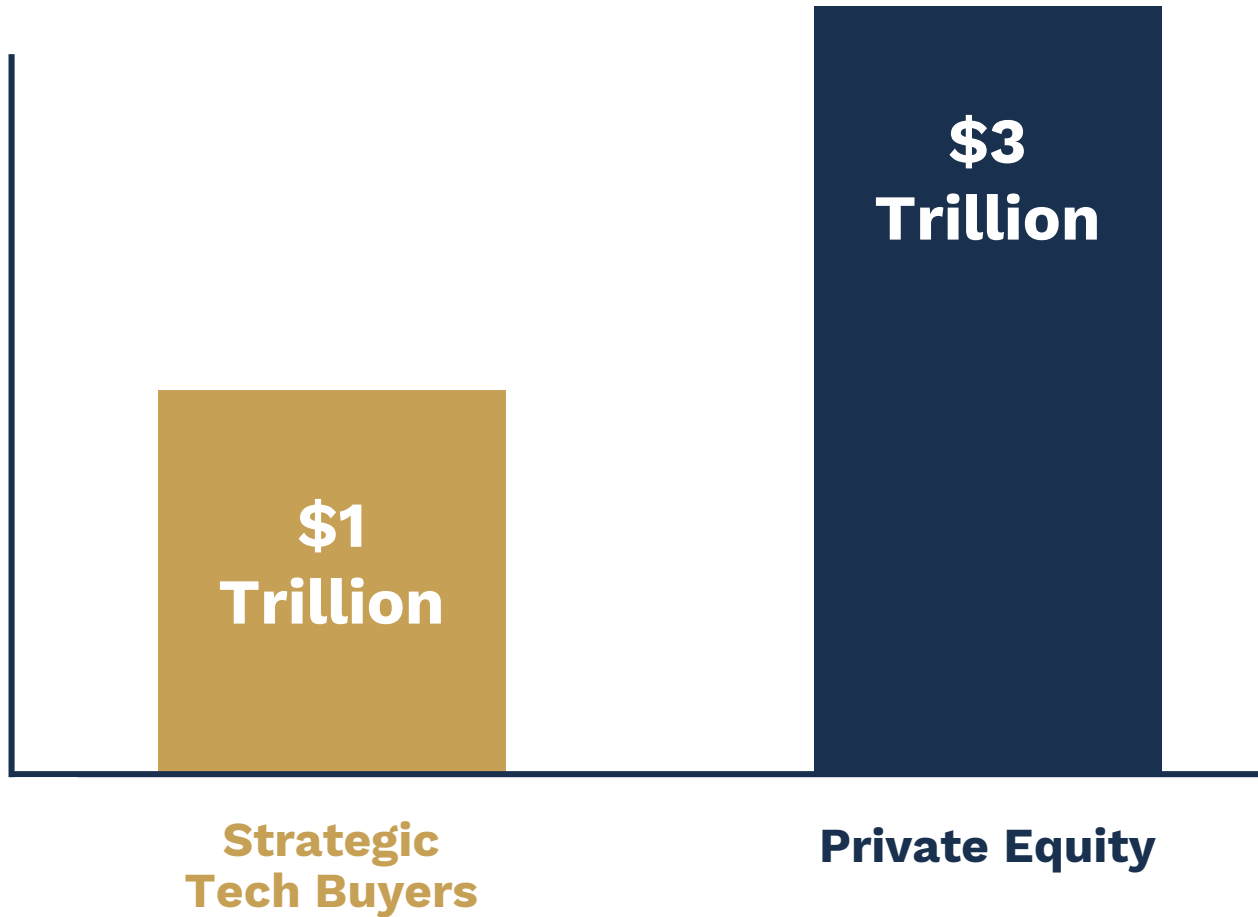
- 1/2 cash at closing
- 1/2 earn out
- ...over 4 years

Market Bottom

\$30 million dollar deal

- All divided between earnout & stock
- No cash at closing...

Cash Available for Acquisitions



Six Recession Questions Every Software Company Owner Has to Ask

**How deep is the “V” and how fast
and how far down are we going?**

#1

Six Recession Questions



How wide is the “V” and how many years will the recession last?

#2

**Can you make it to the other side
of the “V”?**

#3

The Boomer Conundrum:
Most of you don't have time!

How badly will you suffer?

#4

**If you do not have a balance sheet
that will make it through the
recession...**

**...you need to partner with someone
who does!**

**Will your market consolidate
during this recession?**

#5

Market Consolidation

You don't want to be the last man
standing...

...aka “Dead Man Walking”

Where will valuations be at the end of recession?

#6

Values result of 11 year bull market

Market Consolidation

Price Rationalization

**Recent recessions are NOT a guide
for this one.**

Dot.com era

- “Eyeballs on websites”
- Stock used as currency
- Few deals were cash
- Debt not a factor
- Private Equity not a factor

2008 Crash

- Valuations not as high
- Stock prices not as high
- Strategic Buyers wanted “earnings”
- Crash - financial system collapse
- Not that much cash, PE not a factor

Today

- Tech valuations were at all time highs
- Strategics have record cash (\$1T+)
- Private Equity Dominant (\$3T+)
- Record low interest rates
- Today, it's about “the story”

Recession Recovery Time



What do you represent to the future of these buyers?

For the Strategics:

- What competitive edge do you provide in a global market?

For the PE firms:

- What role can you play in giving them the technology, domain expertise, teams, channels, users, etc. to help them consolidate markets?

In summary:

Where do you want to Sell...?

1. Near the top, heading down?
2. Somewhere near the bottom, after prices collapse?
3. Years out, post-recovery...buyers have disappeared

**If you have a good story,
and are healthy...**

**...you need to at least calibrate
the market**

**Buyers like to buy healthy
companies...**

...not ones they have to fix

**Buyers like to buy healthy
companies...**

...not ones they have to fix

Virtual Merger In 7 Steps

JON SCOTT, CHAIRMAN, CORUM GROUP



- Jon joined Corum in 2010, originally out of their Seattle headquarters, now in the United Kingdom, serving as Chairman and overseeing the company's European operations.
- He has close to 30 years experience serving high technology companies with the last 20 mainly in chief operating and chief executive roles.
- Jon has served as President and CEO of The PowerTech Group, a security and compliance software company sold to Help/Systems in 2008, and Microserv Technology Services, a nationwide tech services company which was acquired by Halifax Corporation in 2003.
- Earlier he served as President and COO of Traveling Software, a leading developer of communications software in Seattle.
- Jon has taught in the software product management program at the University of Washington and holds a business administration degree from San Francisco State University.

“The Corum Optimal outcome process has become almost virtual over the past 10 years out of a need for efficiency by both technology buyers and sellers. Today, it is a necessity.”

- Initial virtual launch meeting, document creation, review & edit, buyer list creation and review, management presentation development & review, data room development, management presentations and negotiating letters of intent
 - ...all virtual using today's communications tools
- A majority of due diligence is also conducted virtually with buyers and third parties!

Virtual Merger in 7 Steps



Stage 1: Virtual Planning & Preparation Phase

- Virtual meeting with Corum global staff including business analysts, writing analysts, buyer analysts & many ex-CEOs
 - Set tasks, timeline
 - Review & allocate staff resources
 - Conduct internal due diligence
 - Compile business/marketing plan
 - Ready financials/projections
 - Ready presentation materials
 - Begin collecting due diligence materials



Stage 2: Virtual Research Phase

- Prepare buyers list in virtual meeting with Corum global staff
 - Perform strategic analysis on each buyer
 - Prepare preliminary valuation
 - Determine proper contact (Execs, EA's, advisors)
 - Outside advisor/board/investor influencers
 - Prepare position statement for each buyer



Stage 3: Virtual Go to Market Phase

- Create introductory correspondence
- Conduct virtual dry-runs on company presentation
- Draft/customize executive summary
- Execute NDAs and non-solicitations
- Screen initial interest, valuation expectations
- Establish log on all communications
- Refine position/process based on feedback



Stage 4: Virtual Discovery

- Coordinate conference calls & virtual one-hour presentation meetings with buyers
- Establish conference calls and virtual technology review meetings
- Prepare formal valuation report
- Open up “Pre-LOI” virtual data room
- Develop synergy and contribution analysis
- Set up NDA with customers, contractors, etc.
- Finish due diligence on buyer



Stage 5: Virtual Negotiations

- Organize and host final virtual discovery meetings
- Provide structure & valuation guidance
- Create an auction environment
- Negotiate with top bidder(s)
- Negotiate & Sign Letter of Intent (L.O.I.)
- Inform other bidders of No Shop



Stage 6: Virtual Due Diligence

- Creation & population of a virtual data room
- Verification of financial statements/projections
- Determine if outside advisors/opinions needed
- Technical/Legal/Ownership due diligence
- Written explanation of business model/methodologies
- Complete definitive agreement/attachments



Stage 7: Closing

- Final reps & warranties
- Determine escrow hold-backs
- Final opinion(s)
- Sign contracts virtually in counterpart
- Arrange payment/distribution
- Regulatory filings
- Disclosure schedules



**20 experts online,
from seven different
countries**

5 Major Benefits To a Process

5 Major Benefits of a Professional Process

1

Model

The preparation process will help forge a better business model for your firm

2

Research

Your strategic position will improve from the research/positioning process

3

Market Feedback

Buyer contact will provide invaluable data/insights to help improve your value

4

Relationships

Not everyone is a buyer, but you open many doors which will yield business

5

Exit

The merger, asset sale, or financial recap of your company

ANY OF THESE BENEFITS WILL JUSTIFY THE TIME AND EXPENSE OF A GLOBAL PARTNER SEARCH.

What Are Buyers Saying?

TIM GODDARD, EVP CORPORATE STRATEGIES, CORUM GROUP LTD.



- Timothy keeps his finger on the pulse of the technology M&A market from Corum’s Seattle headquarters, working with Corum’s global team of dealmakers to ensure the company’s clients are properly positioned and prepared for the M&A process, and overseeing the annual development of Corum’s “Top Disruptive Technology Trends” that drive technology acquisitions. Timothy also serves as on the Editorial Advisory Board of Software Executive Magazine.
- Worked for a US Senate campaign and taught science in Rio de Janeiro.
- Graduated Magna Cum Laude from Bethel University in St. Paul, Minnesota, with degrees in History and Biology.

Corum's Unique Positioning



What Are Buyers Saying?



Patrick Eble
Investment Professional

Patrick sources new investment opportunities in the software, healthcare services, and business services sectors. Prior to Alpine, he was based in New York as a member of the Infrastructure Advisory team at Ernst & Young, providing commercial and financial advisory to public sector clients in the energy, environmental, and transportation sectors.

Patrick is a current member of the US Senior National Rowing Team that trains in Oakland. Patrick received a Master's degree from the University of Cambridge and a Bachelor's degree from Princeton University.

ALPINE



Thoughts? Questions? Let us know!

@CorumGroup

What Are Buyers Saying?



Jon Lemelman
Partner

Jon brings 22 years of experience in private equity, software, and financial services and has worked closely with numerous middle market companies prior to joining the Riverside team in 2004. He currently manages the firm's intermediary relationships and new investment evaluation.

Prior to joining Riverside, Jon was an investment professional at Fidelity Strategic Investments, the private equity investment division of Fidelity Investments, where he worked on investments in the software, manufacturing, and healthcare industries.



Thoughts? Questions? Let us know!

@CorumGroup

What Are Buyers Saying?



Rafael "Rafa" Baron is a Vice President with OpenGate Capital and responsible for leading all global origination, research and deal qualification for the firm's Technology practice. Rafa is actively involved in OpenGate's investments in Mersive Technologies, InRule and CoreMedia.

Rafael "Rafa" Baron
Vice President



OPENGATE CAPITAL



Thoughts? Questions? Let us know!

@CorumGroup



Michael McNamara
Investment Director

Potentia is the only Australian private equity fund focused exclusively on investments in software, tech-enabled services and technology businesses.

Potentia invests in businesses that are headquartered in Australia and New Zealand with corridors of growth into Asia, and that operate in the mid-market with an EV of A\$50mm to \$300mm.

potentia.



Thoughts? Questions? Let us know!

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What Are Buyers Saying?



Michael Garland
Director

Michael Garland is a Director of Diversis Capital and responsible for identifying, originating, and qualifying new investment opportunities. Prior to Diversis, Michael spent several years working in a variety of corporate finance roles in private equity and M&A.

Michael graduated from Loyola Marymount University with dual majors in finance and marketing. In his free time, Michael enjoys being active outdoors, spending time with his family, and working with charitable organizations.



DIVERSIS CAPITAL



Thoughts? Questions? Let us know!

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What Are Buyers Saying?



Kellen Haines
Vice President

Kellen Haines is a Vice President at K1 and focuses on growth capital and buyout investments in enterprise software. Kellen has worked alongside companies in cybersecurity, fintech, government, collaboration, healthcare, real estate, and IT.

He received his MBA from UCLA Anderson and BS at the University of Southern California Marshall School of Business.



Thoughts? Questions? Let us know!

@CorumGroup

What Are Buyers Saying?



Puneet Soni
Director, M&A
Senior Counsel

Volaris Group, headquartered in Ontario Canada with a global presence on nearly every continent, acquires, strengthens, and grows vertical market software companies, enabling them to be clear leaders within their focused industries.



Thoughts? Questions? Let us know!

@CorumGroup

What Are Buyers Saying?



Louis Roberts
Vice President

Louis Roberts is a Vice President at Greater Sum Ventures. Prior to joining GSV, Louis was the Director of Giving Sales at Ministry Brands, a market leader of software solutions for churches.



Thoughts? Questions? Let us know!

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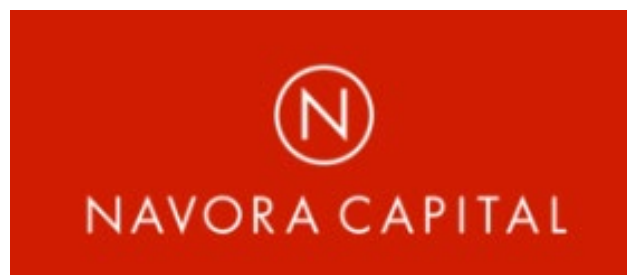
What Are Buyers Saying?



Shaw McMorran
Founding Partner

A Partner in Marlin Equity Partners from 2012 until 2018, Shawn was responsible for leading the firm's European office and investment activities. He has been involved in all aspects of acquiring and managing investments, including deal sourcing and qualification, conducting due diligence, transaction execution and portfolio monitoring.

Shawn has served as Chairman, Board Director and Investment Committee member of a number of highly successful businesses including Solarsoft, Vivonet, Asset Control, Longview, IBS-Iptor, BlueGarden, Qualitest, TalkWalker, ABIT-Collenda, Hospedia, Medius and Marlin Equity Partners Limited.



Thoughts? Questions? Let us know!

@CorumGroup

What Are Buyers Saying?



Peter Coffee
VP, Strategic Research

Peter is VP of Strategic Research at Salesforce, where he has spent time with customers and partners to predict what's next in technology since 2007. Prior to Salesforce, Peter spent 18 years with eWEEK (formerly PC Week), where he reviewed software development tools and methods and wrote columns on emerging technologies and professional community issues.

Peter holds an engineering degree from MIT and an MBA from Pepperdine University. He has held teaching appointments in computer science, business analytics, and information systems management at Pepperdine, UCLA, and Chapman College.



Thoughts? Questions? Let us know!

@CorumGroup

We welcome your questions!

**Email questions to
info@corumgroup.com**



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- **Industry Update**
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After the Deal – Celebration

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