

Tech M&A Monthly

Starts in 2 minutes



Thoughts? Questions? Let us know!
@CorumGroup

CORUM

Tech M&A Monthly

4 Sellers, 4 Buyers, 4 Offers
and They Haven't Met Yet!



We welcome your questions!

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

This event is being recorded
On demand webcast will be available at
www.corumgroup.com

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**





MERGE BRIEFING



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



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

CORUM
MERGERS & ACQUISITIONS

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 →](#)

CORUM
MERGERS & ACQUISITIONS

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

34
Years in business

20+
Advisors worldwide

\$10B
In wealth created

325+
Closed transactions



**Focus—sell side,
technology only**

**Detailed, professional,
global process**

**Team approach,
senior dealmakers**

**World Technology
Council**

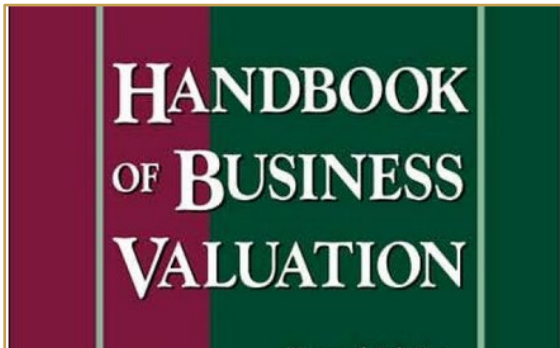
SOLD MORE SOFTWARE-RELATED FIRMS THAN ANYONE



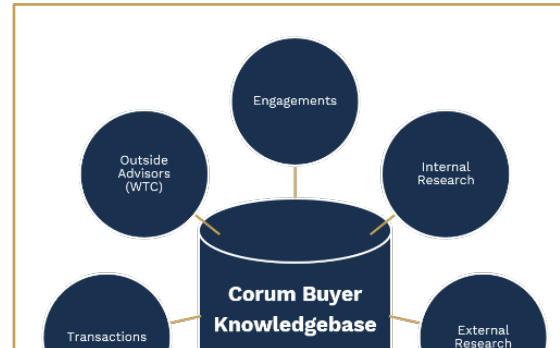
Research



Education



Valuation



Database



**The definitive tech
M&A education**

- **Since 1990, the most attended executive conference in technology history**
- **More events hosted than all other competitive conferences combined**
- **Over \$2 trillion in transaction value by attendees – buyers and sellers**

8 Stages for an Optimal Outcome

Preparation

Research

Contact

Discovery

Negotiation

Due
Diligence

Closing

Integration

Past Attendees Include



Tech M&A Monthly

Starts in 1 minute



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CORUM

Tech M&A Monthly

4 Sellers, 4 Buyers, 4 Offers
and They Haven't Met Yet!



GINA STANHOPE, EXECUTIVE VICE PRESIDENT



- Gina joined the Corum Group in 1986 and has held numerous positions in the company, primarily in the research, valuation, consulting, and management areas.
- She held a key executive position for RoseSoft, publisher of the widely acclaimed keyboard macro utility ProKey. Gina was instrumental in growing the company, and assisting in the ultimate sale of that firm with Corum Group's assistance.
- Gina founded and was CEO of InfoBase, a local privately held services firm focused on database management.



Contact:
GinaS@corumgroup.com

- Assisting in the sale of smaller companies
 - Asset sales
 - Private stock sales
 - Divestitures
- Virtual data rooms, web/video conferencing technology, and remote team staffing makes SI viable today

Welcome

Deal Report

Field Report

Global Tech M&A Research Report

4 Seller, 4 Buyer, 4 Offers and They Haven't Met Yet!

Getting Your Team/Investors/Board on Board

Closing

JOEL ESPELIEN, EXECUTIVE DIRECTOR - CLIENT SERVICES



- Joel Espelien has worked in a number of roles over a 25-year career in the technology industry and has participated in multiple successful transactions since joining Corum in 2017, including the recent sale of IoT smart logistics company Connected Holdings to Phillips Connect Technologies.
- Prior to Corum, Joel was involved in many successful technology M&A transactions, including video pioneer DivX LLC (acquired from Rovi and sold to Neulion), pet IoT company Snaptracs, Inc. (acquired from Qualcomm, merged with Whistle Labs, sold to Mars pet food), AI startup IQ Engines (acquired by Yahoo), AgTech IoT leader 640 Labs (acquired by Monsanto/Climate Corporation) and mobile video pioneer PacketVideo (acquired by NTT DoCoMo).
- Joel started his career as IP and corporate attorney at Cooley LLP in Palo Alto and San Diego, California and is still a member of the Bar in both Washington and California. He holds a JD/LLM (International and Comparative Law) from Duke University and a BA from St. Olaf College. Joel is also fluent in Spanish and has done business throughout Spain and Latin America. Joel is originally from Minnesota, lived for many years in San Diego, California and now resides in the Seattle area.



has acquired



Corum acted as exclusive M&A advisor to MaestroSoft

CORUM
MERGERS & ACQUISITIONS

MARK WHITE, VICE PRESIDENT, CORUM GROUP LTD.



- Mark White joins Corum in Singapore following a 30 plus year career in the software, IT and telecommunications industries throughout the Asia-Pacific region. In addition to regional leadership roles with Red Hat, Compaq and Tandem Computers, Mark has founded several technology companies, successfully selling his telecommunications software business in 2018.
- With a passion for innovation and entrepreneurship, Mark has led or mentored several early stage technology commercialization successes from one of Australia's largest universities, the largest of which ultimately raised over US\$45 million in venture funding.
- Mark earned his Computer Science Degree from the University of Queensland.



RODYK

ZAIN & CO.

MEMBER OF DENTONS

VENABLE LLP



BANK OF AMERICA
PRIVATE BANK



Cooley



ECIJA

DykEMA



porterwright



mccarthy
tetrault



- Market Perspective
 - Top 10 Disruptive Technology Trends
 - M&A Activity & Valuations
 - Factors Driving Tech M&A
- Achieving an Optimal Outcome
- Avoiding Deal Disasters
- Closing Thoughts

Growth and Exit Strategies

*For Software & IT Companies:
Managing & Selling During a Crisis*



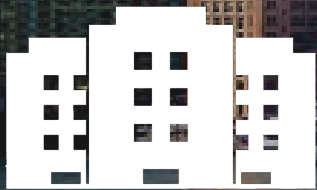
Matt Rung

Director of WFS

Growth & Exit Strategies

For Software and IT Companies
Managing & Selling During a Crisis

Live from Boston
GoToWebinar | June 18th



Buyers



Investors



Valuations



Tech Trends



Sellers

WFS EDUCATING
TECHNOLOGY
LEADERS



European 2020 Virtual

1:00 pm — 6:00 pm BST

The GXS Conference is now virtual!



AUS/NZ 2020 Virtual

12:00 pm — 5:00 pm AEST

The GXS Conference is now virtual!



More to be announced



ASIA 2020 Virtual

12:00 pm — 5:00 pm SST

The GXS Conference is now virtual!



GROWTH & EXIT STRATEGIES
FOR SOFTWARE AND IT COMPANIES



World Financial Symposiums

Educating Technology Leaders

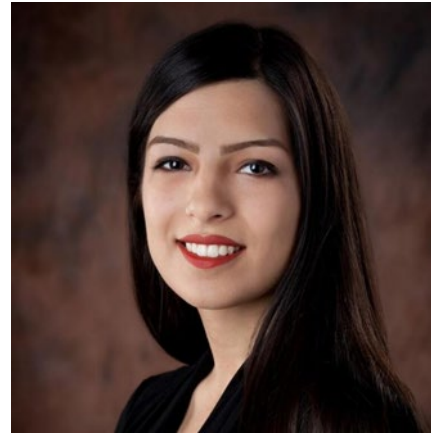
WFS.com



Tech M&A Research Report



Timothy Goddard
EVP, Corporate Strategies



Yasmin Khodamoradi
Director, Client Services



Amber Stoner
Director, Research



**Valeriya
Chumachenko**
Senior Analyst



**Anna
Lebedieva**
Senior Analyst



**Artem
Mamaiev**
Senior Analyst



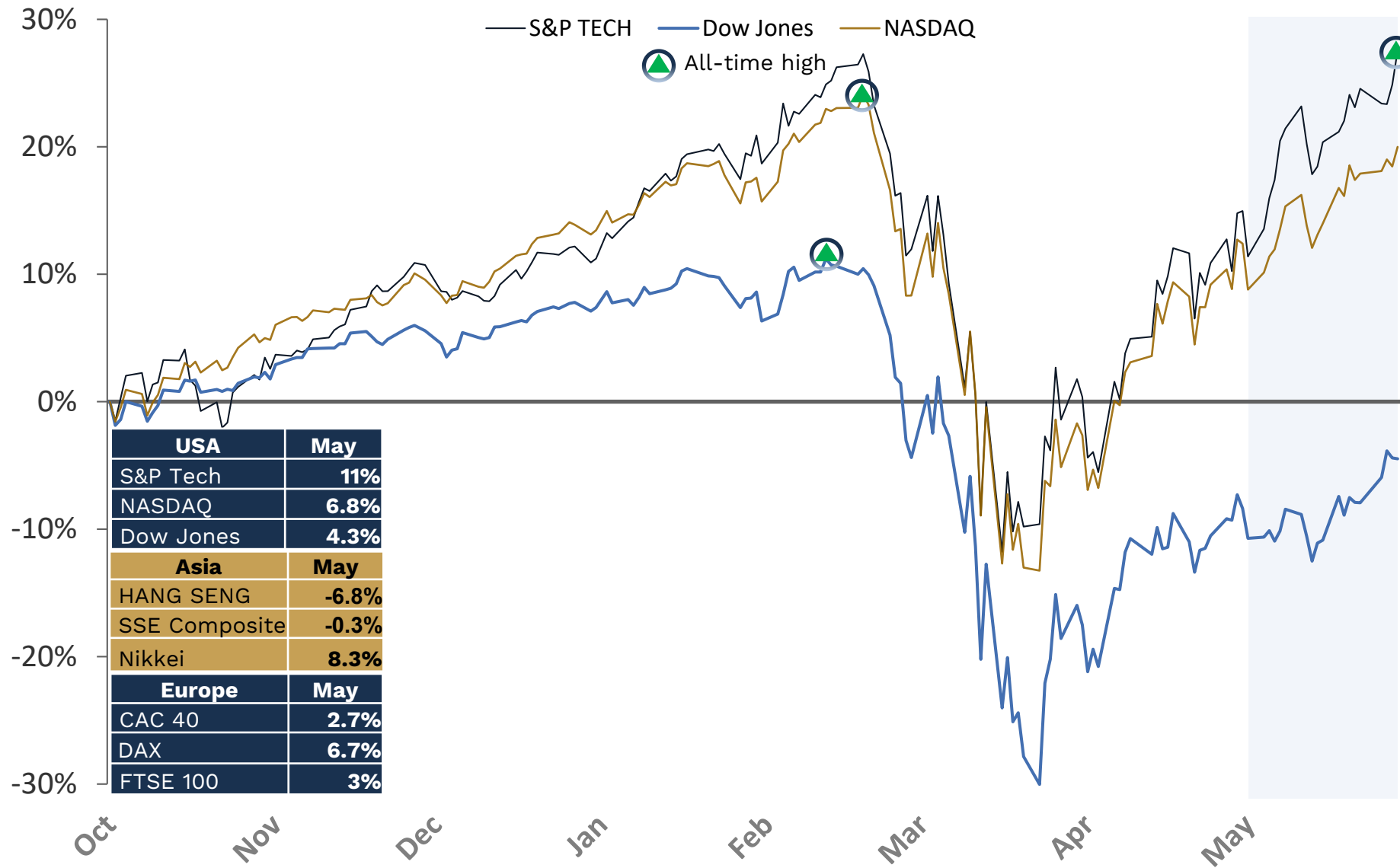
**Olha
Rumiantseva**
Analyst



Tzvi Kilov
Writer

Public Markets 2019-YTD

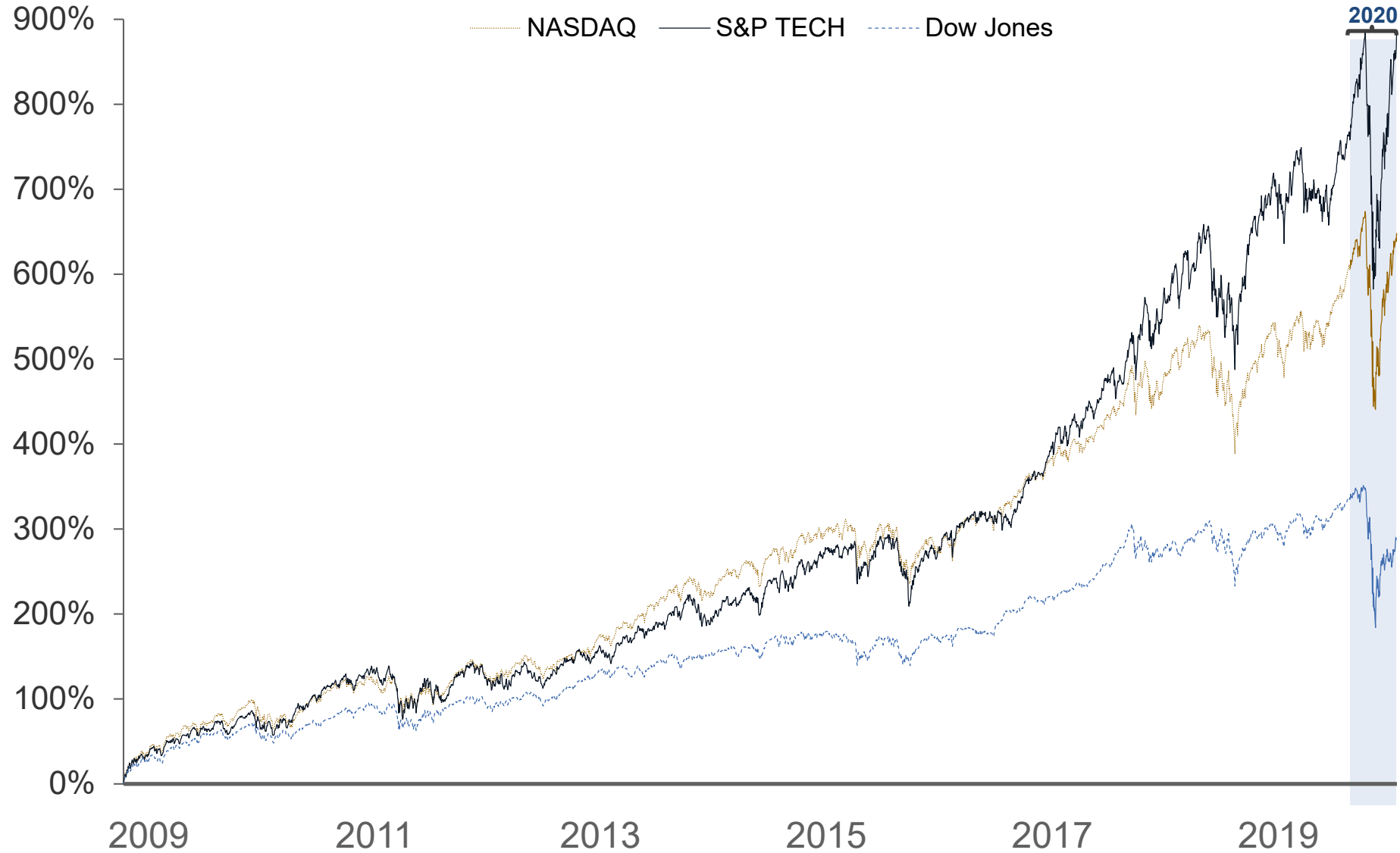
% CHANGE



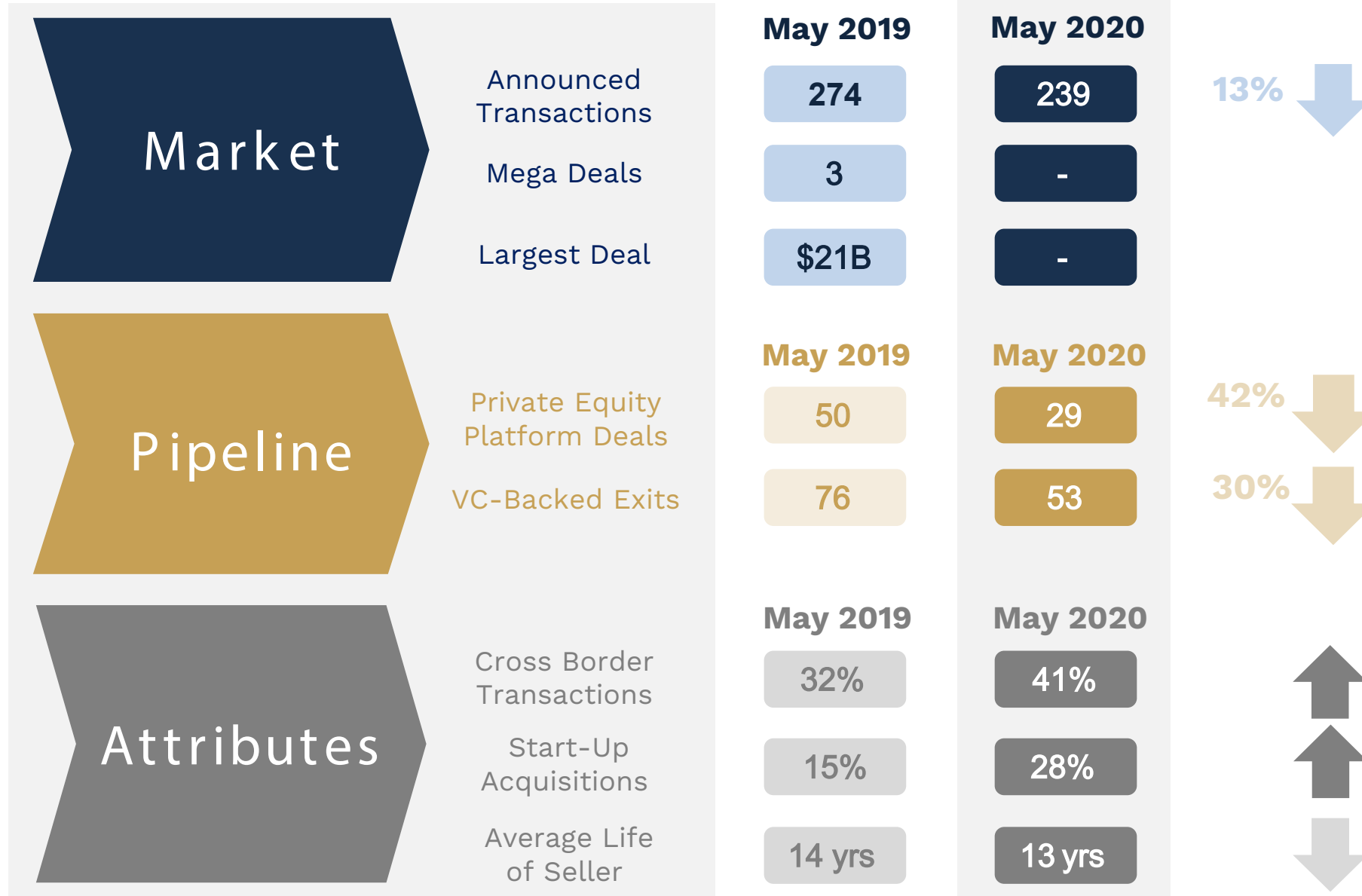
**Numbers up over prior lows*

Public Markets 2009-2020

% CHANGE



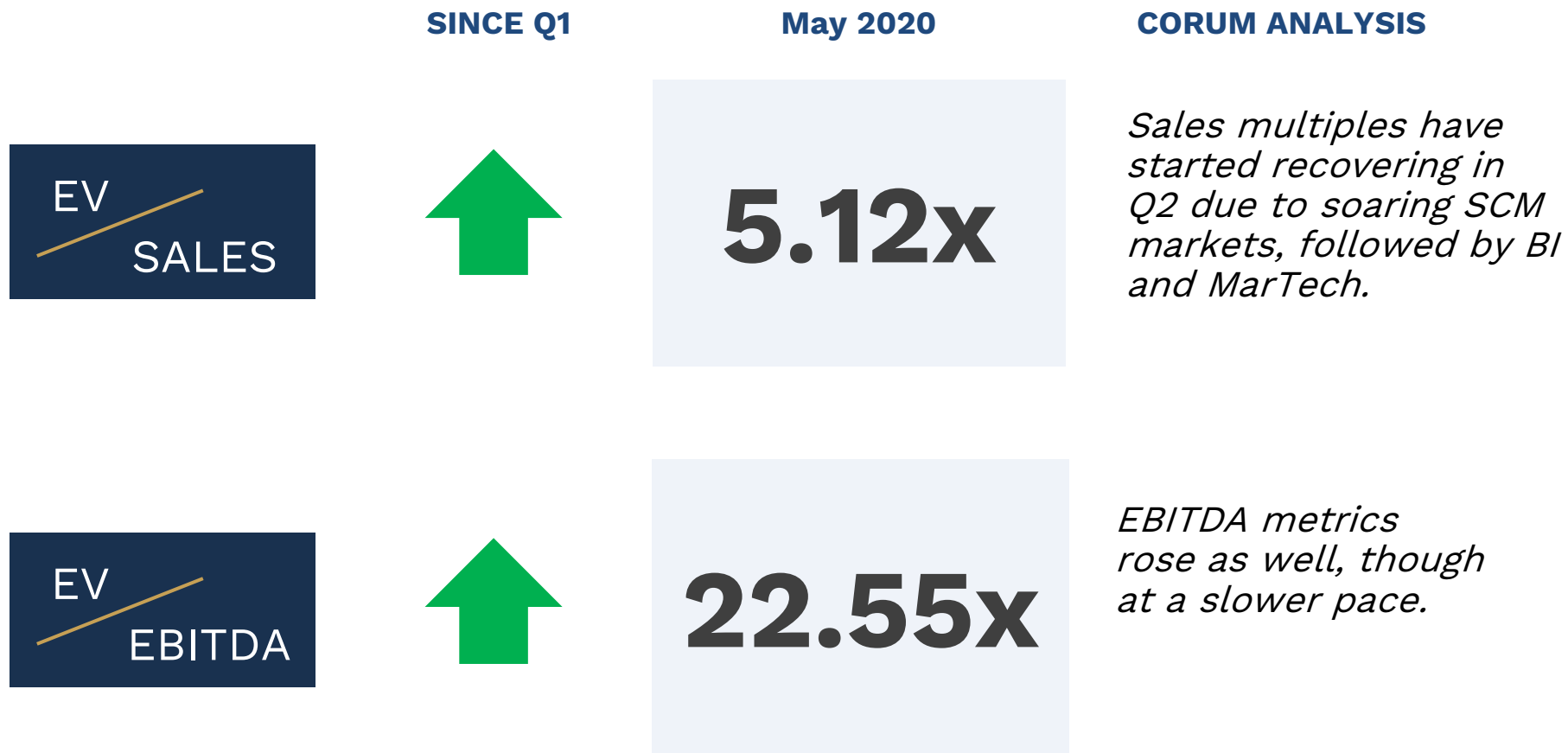
**Numbers up over prior lows*



**Numbers up over prior lows*



Public Valuation Multiples



**Numbers up over prior lows*



Supply Chain Management



Seller: VisTracks [USA]

Acquirer: Omnitracs [Vista Equity Partners] [USA]

- Electronic driver log SaaS



Seller: ConnXus [USA]

Acquirer: Coupa Software [USA]

- Supplier relationship management SaaS



AdTech



Seller: CrossInstall [USA]
Acquirer: Twitter [USA]
- Mobile interactive advertising SaaS



Seller: PPC Scope [USA]
Acquirer: Canopy Management [USA]
- Amazon digital merchandising SaaS



Seller: Amplero (IP & assets) [USA]
Acquirer: Novantas [USA]
- Marketing optimization SaaS



Document Management

Zetech

SOLD TO



Seller: Zetech [Argentina]

Acquirer: Visma Group [HgCapital-led PE consortium] [Norway]

- Digital signature & document management SaaS



SOLD TO



Seller: Conga [Insight Venture Partners] [USA]

Acquirer: Apttus [Thoma Bravo] [USA]

- Contract & document automation SaaS



SOLD TO



Seller: Namirial [Italy]

Acquirer: AMBIENTA [Italy]

- E-document management software



Customer Engagement & Analytics

personaliTM

SOLD TO

NAMOGOO

Seller: Personali [Israel]

Acquirer: Namogoo Technologies [Israel]

- Customer behavioral analytics & marketing SaaS

converlytics.

SOLD TO



ManyChat

Seller: Converlytics [Germany]

Acquirer: ManyChat [USA]

- Digital marketing attribution analytics SaaS

SAP SAP Digital
Interconnect

SOLD TO

sinch

Seller: SAP (SAP Digital Interconnect assets) [USA]

Acquirer: Sinch [Sweden]

Transaction Value: \$250M

- Customer engagement SaaS asset



Public Valuation Multiples

SINCE Q1

May 2020

CORUM ANALYSIS



4.08x

15% up from Q1 due to revenue decline...



20.25x

...while EBITDA metrics continue their steady rise from a low in March.

**Numbers up over prior lows*



Healthcare



SOLD TO



Seller: HintMD [USA]

Acquirer: Revance Therapeutics [USA]

Transaction Value: \$180M and 128.6x EV/Sales

- Aesthetic sector payment SaaS



SOLD TO



Seller: Zesty [United Kingdom]

Acquirer: Induction Healthcare [United Kingdom]

Transaction Value: \$15.4M and 12.2x EV/Sales

- Medical records management SaaS

INDIVICA

SOLD TO



Seller: Indivica [Canada]

Acquirer: WELL Health Technologies [Canada]

Transaction Value: \$4.5M and 3.4x EV/Sales

- EMR SaaS



Oil & Gas

Baker Hughes 

Lufkin rod lift solutions business



KPS
CAPITAL PARTNERS

Seller: Baker Hughes (Lufkin rod lift solutions business) [USA]

Acquirer: KPS Capital Partners [USA]

- Automated rod equipment systems & software



Seller: JP3 Measurement [USA]

Acquirer: Flotek Industries [USA]

Transaction Value: \$34.4M

- Fossil fuel process control systems



Seller: Exprosoft [Norway]

Acquirer: Peloton Computer Enterprises [Canada]

- Well data management & modeling SaaS



Seller: DarkVision Technologies [Canada]

Acquirer: Koch Industries [USA]

- Ultrasound-based imaging systems

Travel & Hospitality

Kognitiv

SOLD TO

AIMIA

Seller: Kognitiv Corporation [Canada]
Acquirer: Aimia [Canada]
Transaction Value: \$25M
- Travel & hospitality CSA SaaS

 | Lybra

SOLD TO

ZUCCHETTI.

Seller: Lybra.Tech [LVenture Group] [Italy]
Acquirer: Zucchetti [Italy]
Transaction Value: \$4.3M
- Hotel revenue management SaaS

 cartrawler

SOLD TO

TOWERBROOK

Seller: CarTrawler [BC Partners] [Ireland]
Acquirer: TowerBrook Capital Partners [USA]
Transaction Value: \$109.3M
- Car rental distribution SaaS

Real Estate



CoStar Group™

Seller: Ten-X [Thomas H. Lee Partners] [USA]

Acquirer: CoStar Group [USA]

Transaction Value: \$190M and 3.3x EV/Sales
- Online real estate classifieds & auctions



Seller: Lamudi.com [Rocket Internet] [Philippines]

Acquirer: EMPG [UAE]

- Online property listings website



A/E/C

MODELO

SOLD TO



Seller: Modelo [USA]

Acquirer: Kujiale [China]

- Architectural 3D presentation creation SaaS



BuildTools

SOLD TO



Seller: BuildTools [USA]

Acquirer: ECi Software Solutions [Apax Partners] [USA]

- Construction management SaaS



SOLD TO



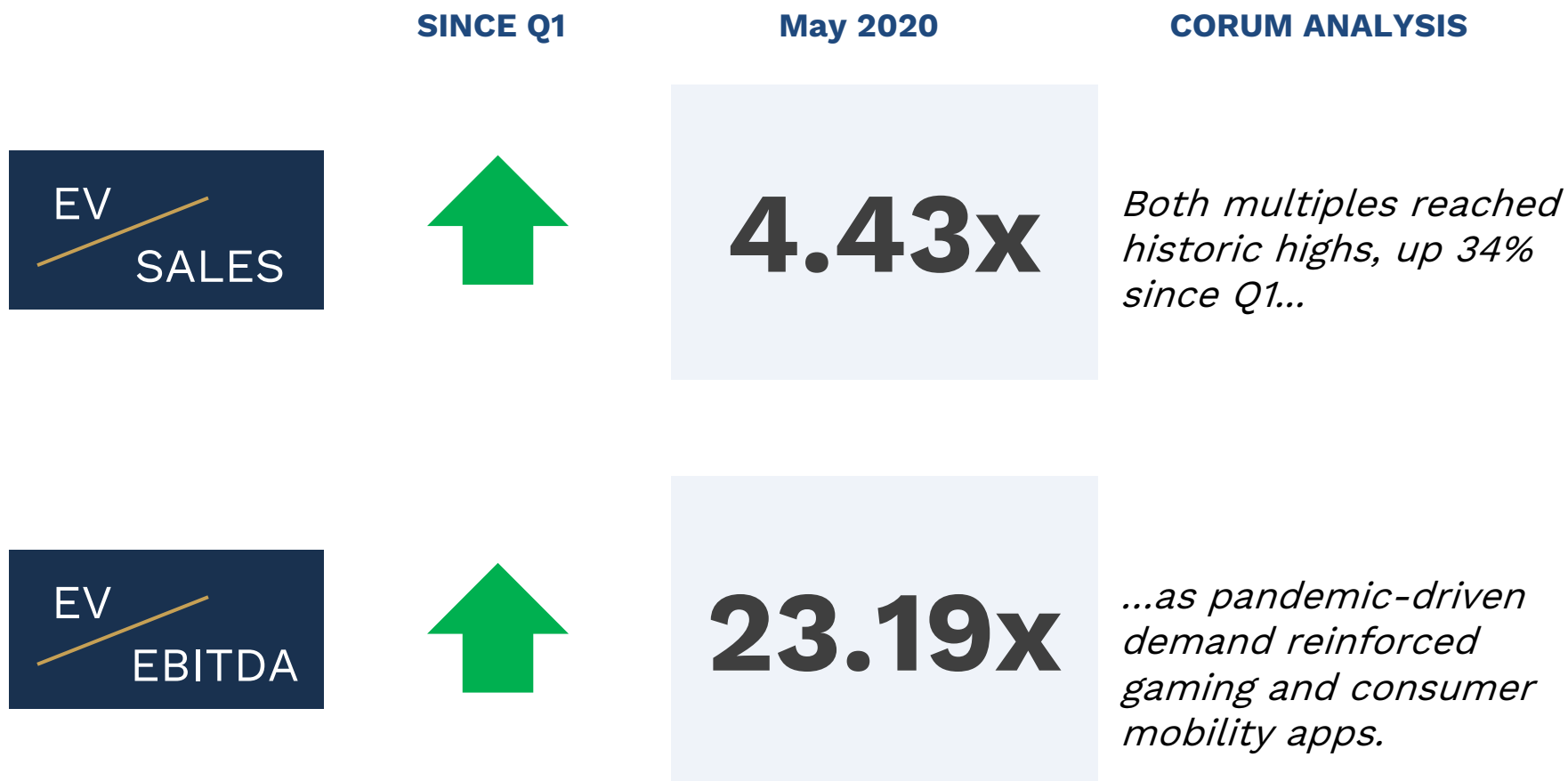
Seller: Leverance (LandDev assets) [USA]

Acquirer: Constellation HomeBuilder Systems [Constellation Software] [Canada]

- Real estate development SaaS



Public Valuation Multiples



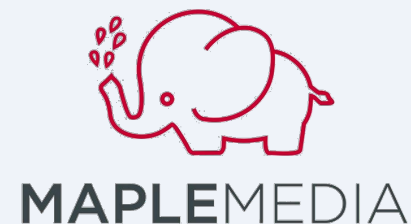
**Numbers up over prior lows*



Podcasts



Seller: PodcastOne [USA]
Acquirer: LiveXLive Media [USA]
Transaction Value: \$18.1M
- Online podcast service



Seller: Player FM [United Kingdom]
Acquirer: Maple Media [USA]
- Podcast mobile applications



Entertainment



Seller: Giphy [USA]

Acquirer: Facebook [USA]

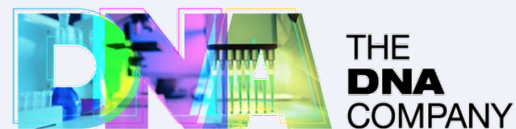
- Online animated graphics library
- Broadens Facebook products' capabilities



Mobile Health



SOLD TO



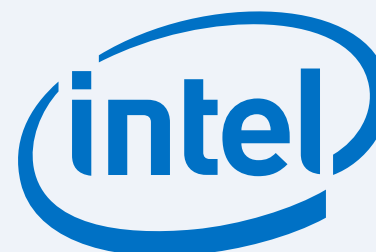
Seller: My Pain Sensei [Green Sky Labs] [Canada]

Acquirer: The DNA Co. [Canada]

- Mobile health applications & services



Public Transit



Seller: Moovit [Israel]

Acquirer: Intel [USA]

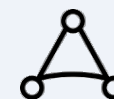
Transaction Value: \$900M

- "Urban mobility" application focused on public transit routing
- Data generated by 800 million users
- Intel aims to use the data to build out autonomous vehicle services, including robotaxis



Games

**machine
zone**



APP LOVIN

Seller: Machine Zone [USA]

Acquirer: AppLovin [USA]

- Mobile games



JAGEX



**MACARTHUR
FORTUNE**

Seller: Jagex [Shanghai Hongtou] [United Kingdom]

Acquirer: Macarthur Fortune Holding [USA]

Transaction Value: \$530M

- UK online games



Mobile Games



Seller: Peak Games [Turkey]

Acquirer: Zynga [USA]

Transaction Value: \$1.8B

- Istanbul-based mobile videogame developer
- Follows \$100M acquisition of Peak's card games studio in 2017

CORUM

Tech M&A Monthly

**4 Sellers, 4 Buyers, 4 Offers
and They Haven't Met Yet!**



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

4 Seller, 4 Buyer, 4 Offers and They Haven't Met Yet!

- Virtual is the new normal
 - Your co-worker isn't the next cubicle over, he's a tile on the screen
 - Same for buyers and sellers
- Many firms listened to our advice to calibrate the market
 - 4 already got offers, they haven't even met yet!
 - Here's what they did to get to the offers so fast...
- Almost all of the 8 steps can be done virtually
 - Integration may need to be done with in-person meetings... and so will our celebratory trip to Langara Island!

8 Stages for an Optimal Outcome

Preparation

Research

Contact

Discovery

Negotiation

Due
Diligence

Closing

Integration

Stage 1: Preparation

- 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

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Stage 2: Research

- Prepare buyers list (A&B level, financial, non tech)
- 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

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Stage 3: Contact

- Create introductory correspondence
- 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

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Stage 4: Discovery

- Coordinate conference calls, site visits, and meetings
- Establish technology review process
- Prepare formal valuation report
- Develop synergy and contribution analysis
- Set up NDA with customers, contractors, etc.
- Finish due diligence on buyer

Preparation

Research

Contact

Discovery

Negotiation

Due
Diligence

Closing

Integration

Stage 5: Negotiation

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

Preparation

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Discovery

Negotiation

Due
Diligence

Closing

Integration

Stage 6: Due Diligence

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

Preparation

Research

Contact

Discovery

Negotiation

Due
Diligence

Closing

Integration

Stage 7: Closing

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

Preparation

Research

Contact

Discovery

Negotiation

Due
Diligence

Closing

Integration

Stage 8: Integration

- Advanced planning – during negotiation
- Determine synergies
- Best practices analysis
- Interim transition team
- Employee retention plan
- Set up monitoring/reporting

Preparation

Research

Contact

Discovery

Negotiation

Due
Diligence

Closing

Integration

CORUM

Tech M&A Monthly

Getting Your Board on Board

Benefits of Calibrating the M&A Market





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



- **90 Minutes**
- **Industry Update**
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The definitive tech M&A education

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- Over \$2 trillion in transaction value by attendees – buyers and sellers



**They don't have
the balance sheet**



**Looking for a
way to keep growing**

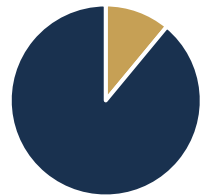
**Many CEOs are ready,
but...
families / key employees /
investors / boards
need convincing.**

**Let's clear the
misconceptions**

1. Calibrating the market doesn't mean a legally binding commitment

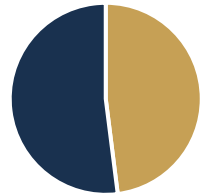
Are you fulfilling your fiduciary duty?

- Did you seek additional funding?
- Did you get a third-party valuation?
- Did you appoint a committee?
- Etc.



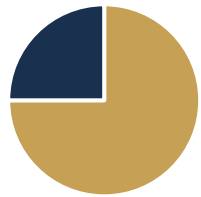
11%

- Buyer solicitations that result in transaction



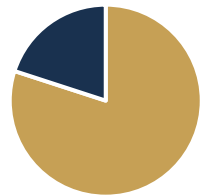
48%

- Average improvement from first offer with an auction process



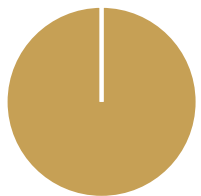
75%

- How often another firm is willing to pay more than the initial bidder



80%

- Failure rate in "self-managed" tech M&A



100%

- Deals involving only one bidder that are suboptimal

1. Calibrating the market doesn't mean a legally binding commitment
2. The process itself is worth the time and investment

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

Relation - ships

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.

The Right Process
Yields Future
Opportunities

Competitors to
Strategic Partners

TUXERA

has acquired

 **Datalight**[®]

Corum acted as exclusive M&A advisor to Datalight

CORUM
MERGERS & ACQUISITIONS

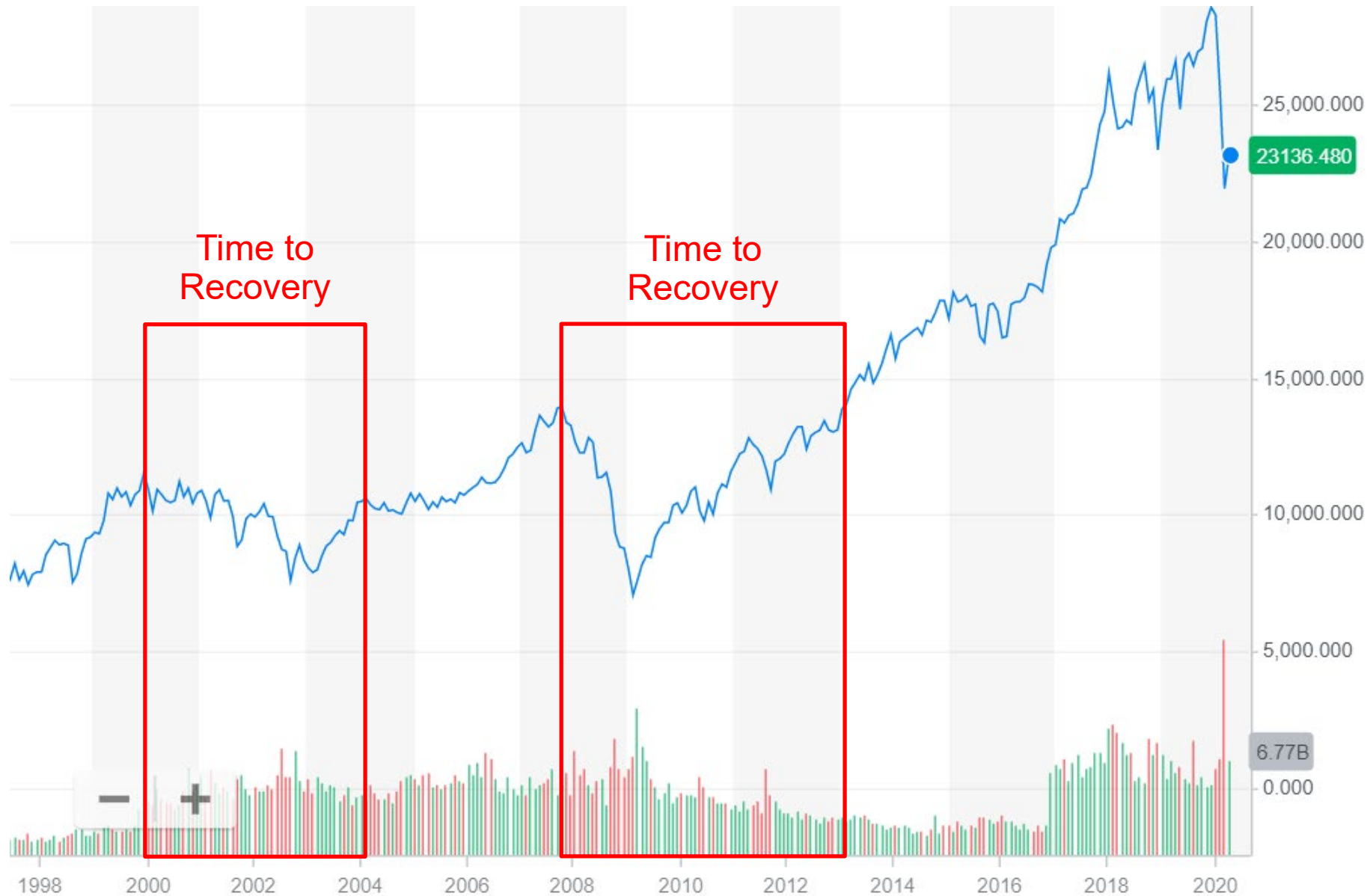
CASE STUDY

- **Company 1:** \$3M revenue, 2 offers, \$5-8M range
- **Offers Fell Apart:** Stock problems, champion left
- **Company went on Hiatus:** used time to improve
 - Built tighter business model based on preparation/research
 - Used market feedback to reposition product lines/pricing
 - Built 4/5 profitable relationships with “non-buyers”
- **Re-entered market 18 months later:** 90% recapitalization at \$40 million value

SOLD AGAIN IN TWO YEARS FOR \$100 M (6x)

1. Calibrating the market doesn't mean a legally binding commitment
2. The process itself is worth the time and investment
3. Insurance policy when things get worse

Getting Your Board on Board



**Does your company
have the balance
sheet to survive?**

...if not

**You have to partner with
someone who does!**

M&A is an option for growth!

Not always an exit...

M&A ≠ Failure



has been acquired by



Corum acted as exclusive M&A advisor to Bizview Systems



M&A is also about
growth and expansion

1. Calibrating the market doesn't mean a legally binding commitment
2. The process itself is worth the time and investment
3. Insurance policy when things get worse
4. Get liquidity now, larger exit down the line

Are you getting the right advice?

**Find an option that
works for everyone**

- There's no commitment to sell by calibrating the market.
- The process itself has benefits for your company and is worth the investment.
- Calibrating the market is a good insurance policy.
- It's in the best interest for you and your company to have all the information you need.



The Top 50 Lower Middle Market Software Investors and Advisory Firms



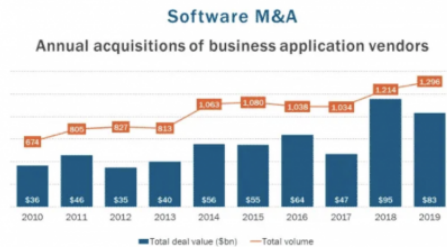
Nick Coetzee | May 5, 2020

Who are the most active software investors and advisory firms in the lower middle market? In this report, we unpack insights from anonymized private transaction activity on the Axial platform to surface the network's 25 most active software investors and 25 most active software advisory firms. In addition, we analyze the data to reveal which software sub-sectors are seeing the highest levels of current demand (rather than historical closure data) from corporate acquirers.

In this report, we unpack insights from anonymized private transaction activity on the Axial platform to surface the network's 25 most active software investors and 25 most active software advisory firms. In addition, we analyze the data to reveal which software sub-sectors are seeing the

Introduction

Software continues to be a growing segment of deal activity for lower middle market buyers and investors, and the data reveals an increasing number of smaller deals getting done in the space. Last year, the total number of software deals closed increased 6.75%, while average deal size decreased 18.6%, according to Solganick & Co.



The demand for B2B application software is the primary growth driver. According to the NPD Group's 2019 review, software was the top purchase intention for small businesses last year, with 66 percent planning to spend on the category, up 7 percent from 2018. Software sales also grew at a 10 percent compound annual growth rate from 2015 to 2018 versus non-software categories, which grew just 3 percent during the same period.

Top 10 Software Sub-Sectors in Lower Middle Market M&A

We welcome your questions!

Email questions to
info@corumgroup.com

This event is being recorded
On demand webcast will be available at
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- **90 Minutes**
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After the Deal – Celebration



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Thank you!