

Tech M&A Monthly

Starts in 2 minutes



Thoughts? Questions? Let us know!
@CorumGroup

CORUM

Tech M&A Monthly

M&A Market Update

Should You Be Worried?



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**





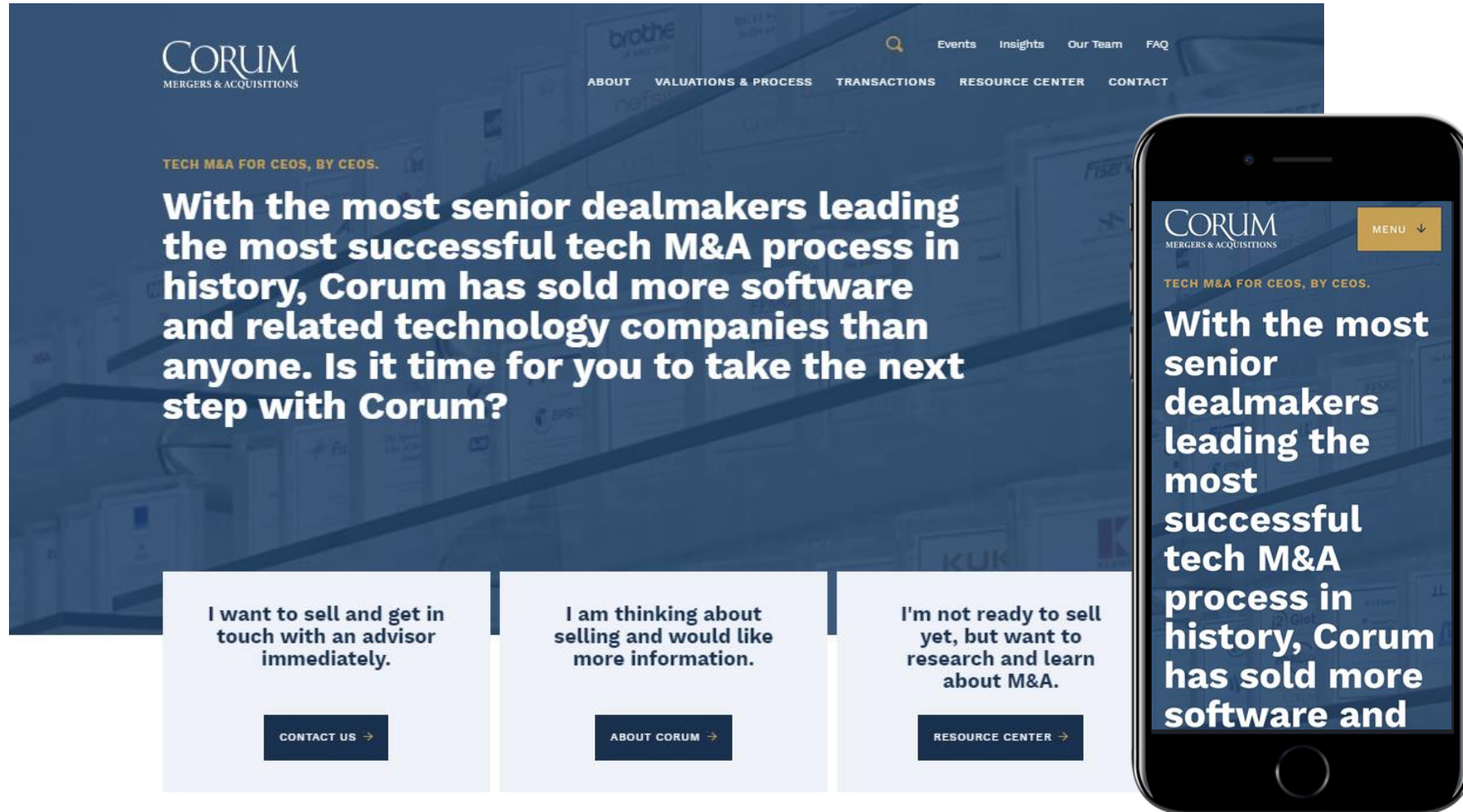
MERGE BRIEFING



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- **Overview of the M&A Process**



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 →](#)



36
Years in business

\$10B
In wealth created

400+
Closed transactions



**Focus—sell side,
technology only**

**Detailed, professional,
global process**

**Team approach,
senior dealmakers**

**World Technology
Council**

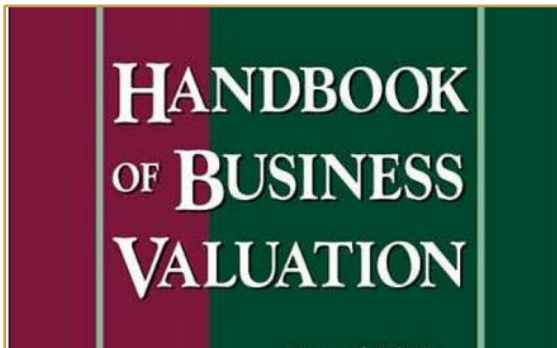
SOLD MORE SOFTWARE-RELATED FIRMS THAN ANYONE



Research

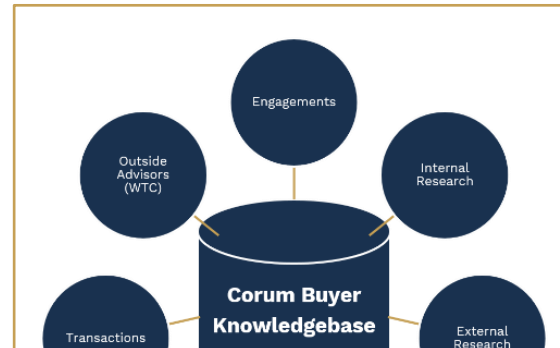


Education



Valuation

JEFFREY D. JONES



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 \$3 trillion in transaction value by attendees – buyers and sellers**

8 Stages for an Optimal Outcome

Preparation

Research

Contact

Discovery

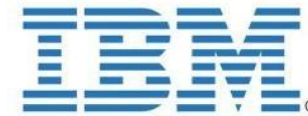
Negotiation

Due
Diligence

Closing

Integration

Past Attendees Include



Tech M&A Monthly

Starts in 1 minutes



Thoughts? Questions? Let us know!
@CorumGroup

CORUM

Tech M&A Monthly

M&A Market Update

Should You Be Worried?



Heidi Owen, Executive Vice President, Marketing, Corum Group Ltd.



- **Heidi rejoined Corum in 2019 as the Director of Marketing. Heidi leads the Corum marketing team and is responsible for planning, development, and implementation of Corum's marketing strategy and public relations activities.**
- **Previously Heidi worked for The Column Group, a venture capital firm dedicated to developing biotechnology companies and as the Marketing Manager for Maverick International, a manufacturer of payment processing systems and software.**
- **Heidi earned a Bachelor of Arts degree in Psychology from Western Washington University.**

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Welcome

Field Report

Deal Report

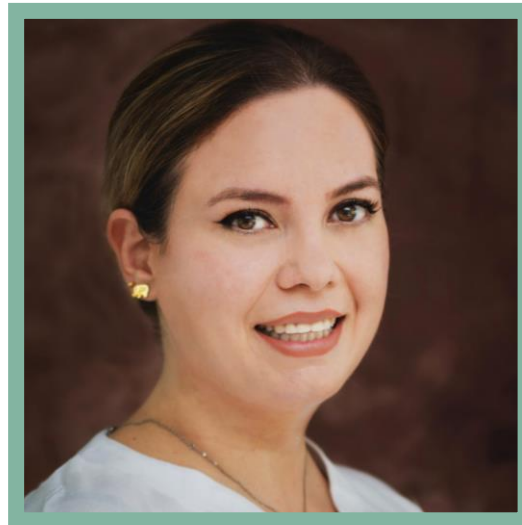
State of the Market: “Should You Be Worried?”

Tech M&A Research Report

“12 Tips For Choosing An Advisor”

Closing

Speaker



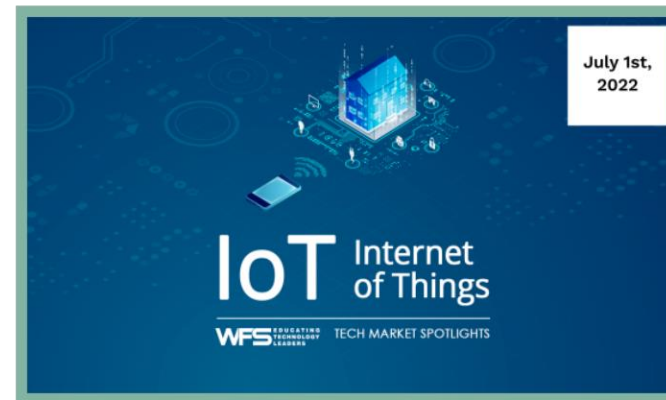
WFS

Ana Conejo

Marketing Coordinator



WFS Content



Global Growth & Exit Strategies for Software and IT Companies

16th June 2022 | 10am CET

Live *ONLINE*  GoToWebinar



Valuations



Tech Trends



Sellers



Investors



Buyers

WFS EDUCATING
TECHNOLOGY
LEADERS

WFS Content

Growth & Exit Strategies for Software and IT Companies

WFS EDUCATING
TECHNOLOGY
LEADERS

TECH MARKET SPOTLIGHTS



CORUM

Deal Report

June 2022

Presented By
Steve Jones



Steve Jones, **Industry Advisor, Corum Group Ltd.**



- **30+ years of executive experience in various high-tech industries with both public and private venture-backed startups.**
- **Extensive global experience, opening international markets and growing sales from zero to tens of million in revenue.**
- **On the forefront of selling several companies and spinning off software divisions, highlighted by the sale of GetFon to Alestra (AT&T Mexico).**
- **Founding CEO of Solera Networks, a real-time intrusion detection security company. He also co-founded Auction Trust Network, an eCommerce company for online exchanges; which he sold to MediaForge (Rakuten Marketing).**
- **Fluent in Spanish.**

Corum client Better Branches has been acquired by Embrace Software. Better Branches is on the forefront of improving customer experience for members who bank with credit unions, giving credit unions a virtual platform to interact with consumers in the same personalized way as they would in person. Embrace Software has seasoned leadership in the credit union marketplace so we're excited to see the synergies of these combined companies that will bring truly revolutionary changes to how consumer interact with financial institutions. Congratulation to both teams!





*Thank you to our
sponsors*



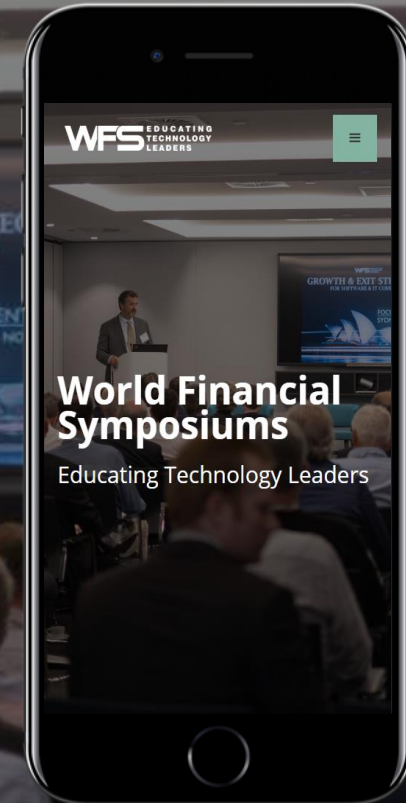
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M&A Market Update: Should You Be Worried?

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Mail

-26.09 (-0.63%)

-222.84 (-0.67%)

-49.74 (-0.41%)

-23.85 (-1.26%)

+0.50 (+0.44%)

-9.00 (-0.49%)

approach to your IRA

MoneyWise

\$16 billion in SPAC deals have already been canceled this year. Are these accessible offerings still worth the risk?



Clayton Jarvis

Tue, May 31, 2022, 9:00 AM · 6 min read



In this article:

KIND

-1.39%



LFLY

+11.24%



BZFD

-14.40%



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M&A Market Update: Should You Be Worried?







Market

Transactions

YTD 2021

1141

YTD 2022

1806

67%



Mega Deals

37

28

24%



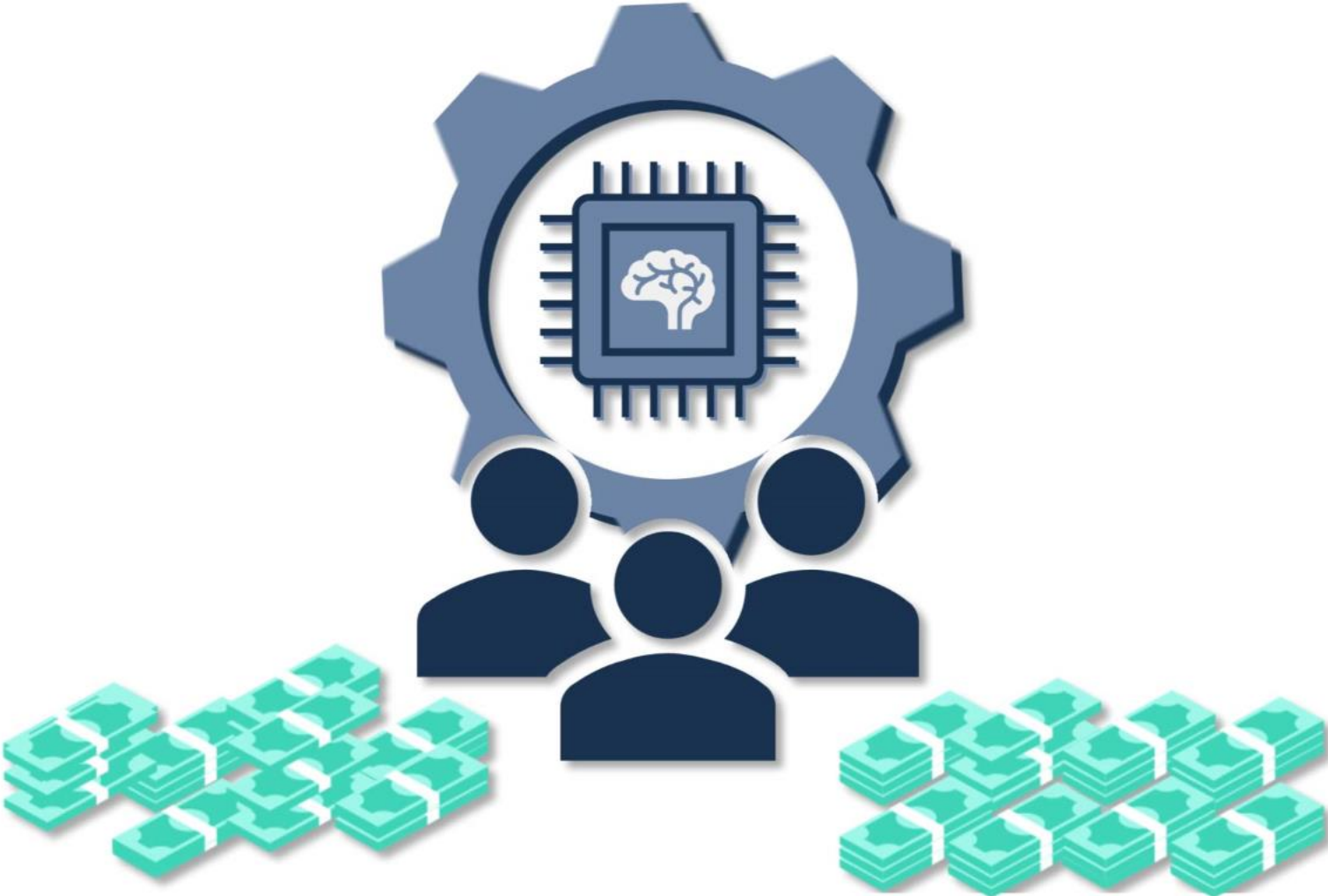
Largest Deal

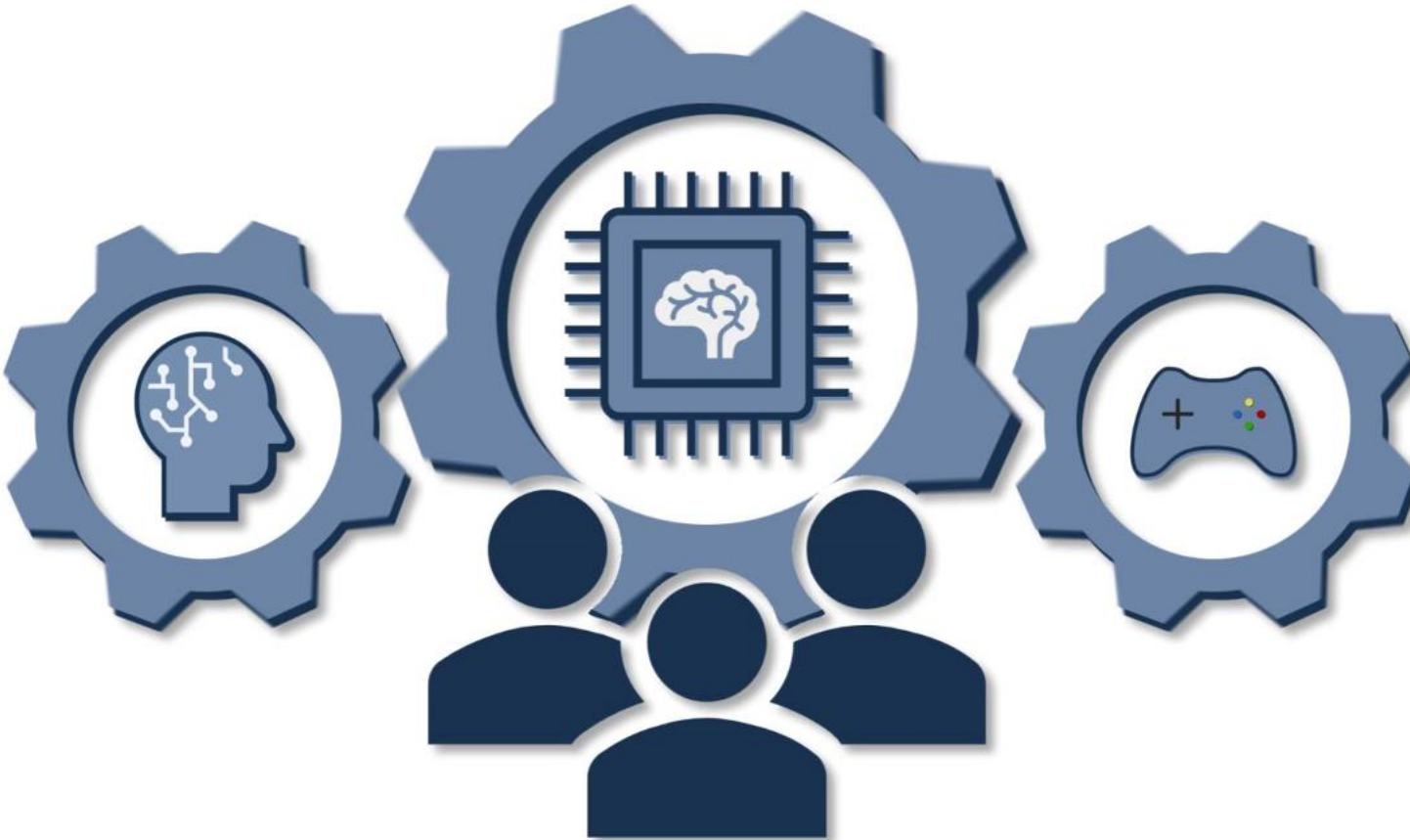
\$10.8B

\$68.7B

536%







What are buyers looking for right now?

What Are Buyers Looking For Right Now?



PE firms are looking for profitable companies that have the technology, domain expertise, teams, channels, and users to consolidate markets.

Strategic buyers are looking for that competitive edge in the global market.

Geopolitical Instability



Geopolitical Instability



Tech company 'safe havens'



Geopolitical Instability



Should you be worried?

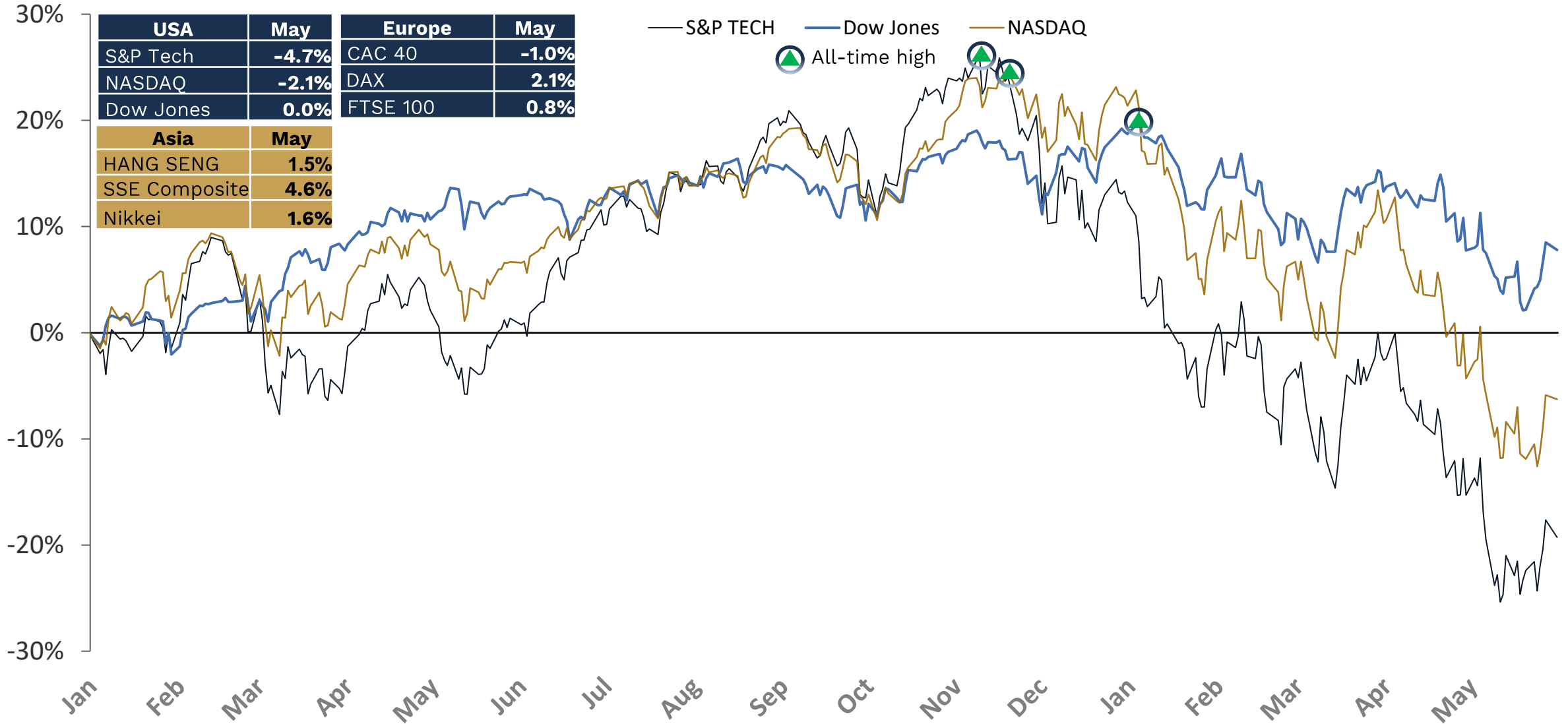
This is a great market for tech M&A. Ambitious buyers with strong offers for good tech companies.

You do not want to miss this wave of opportunity.

Tech M&A Market Report:

Public Markets Jan 2021 - May 2022

% CHANGE



Market

Transactions

Mega Deals

Largest Deal

Pipeline

Private Equity
Platform Deals

VC-Backed Exits

SPACs

Attributes

Cross Border Transactions

Start-Up Acquisitions

Average Life of Target

May 2021

296

8

\$5.3B

May 2021

15

90

13

May 2021

76%

24%

14 yrs

May 2022

394

6

\$61B

May 2022

35

71

12

May 2022

37%

17%

18 yrs

33%

25%

1051%

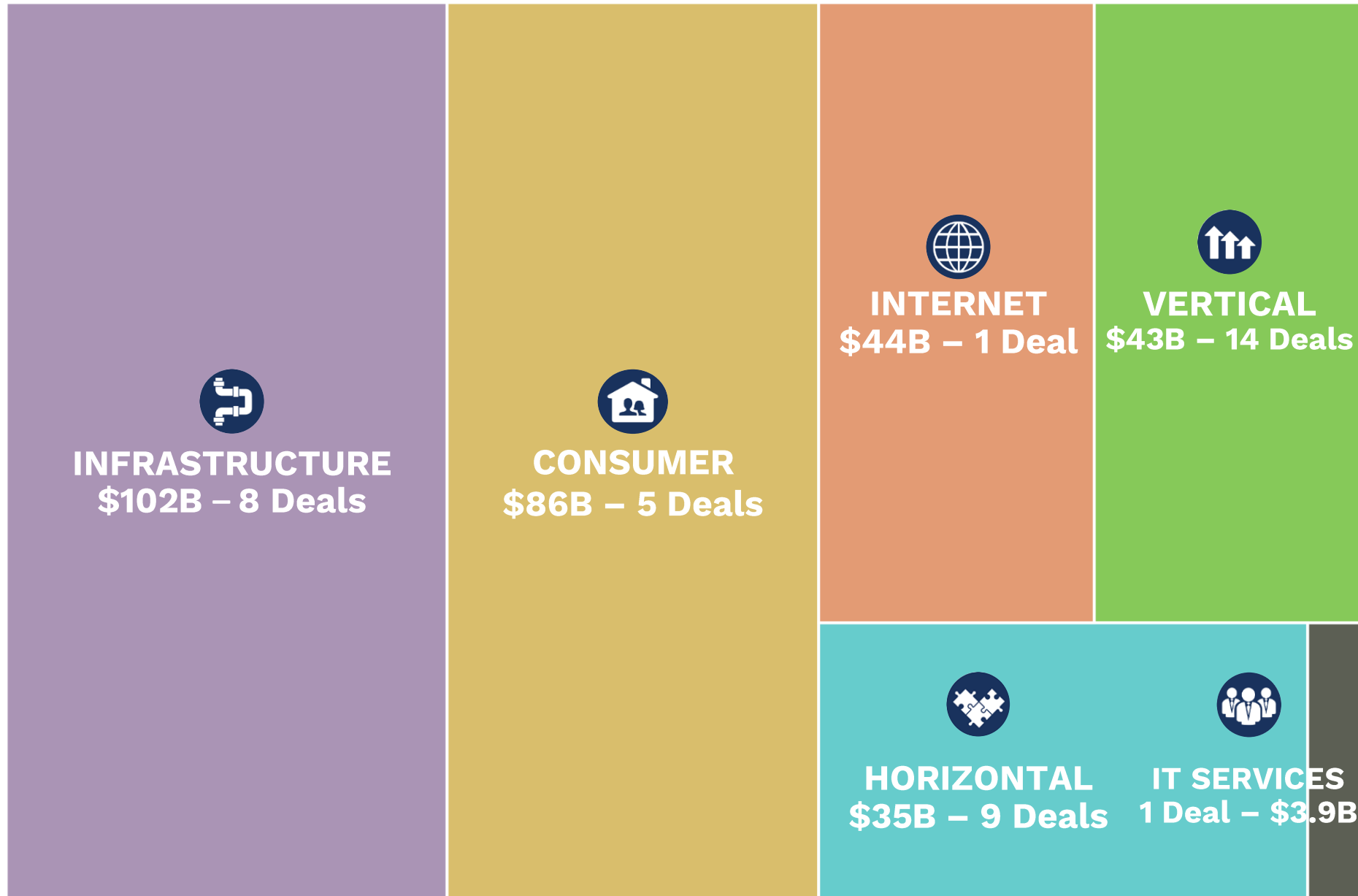
133%

21%

8%

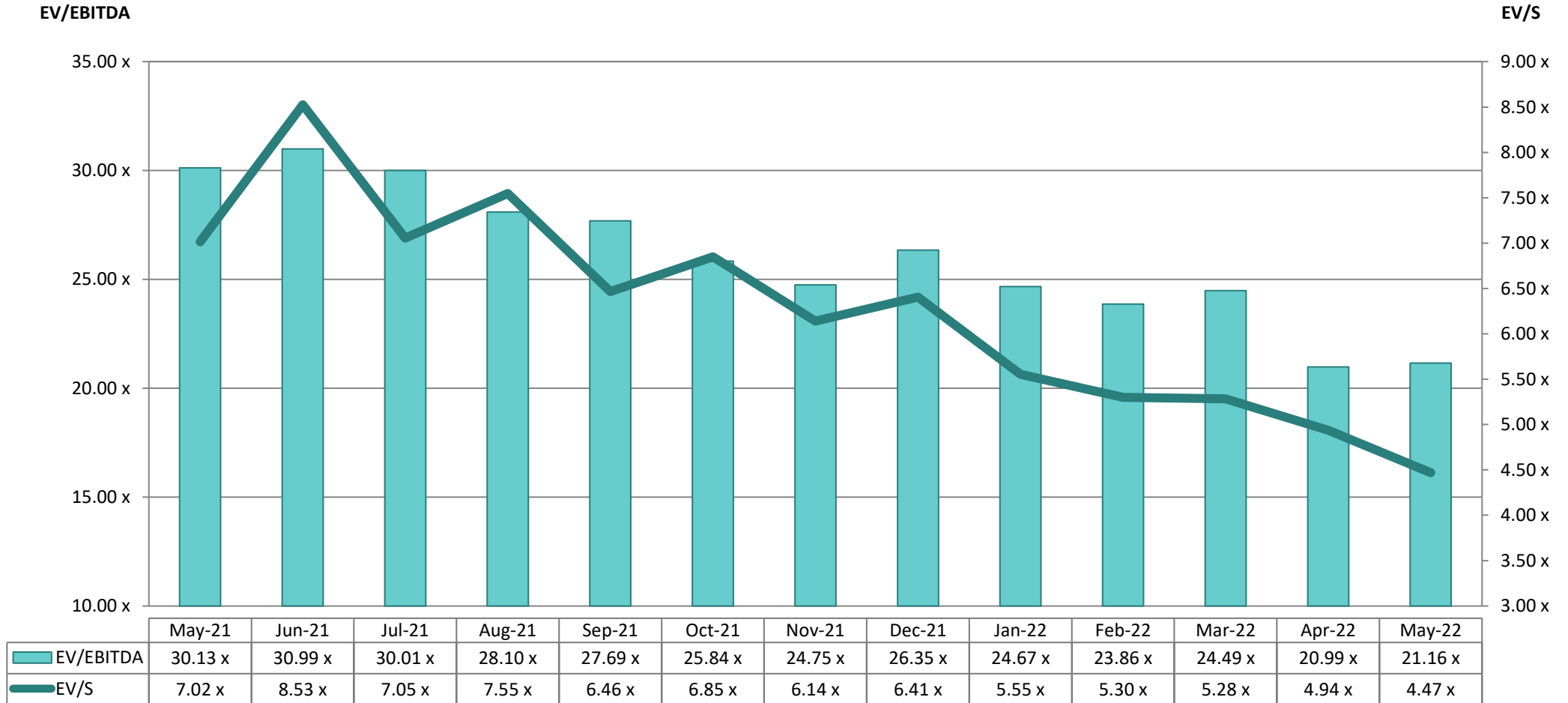


2022 Mega Deals (Jan-May)





Public Valuation Multiples





Subsector	Sales	EBITDA	Examples
Business Intelligence	▼ 5.67x	— 29.7x	<i>MicroStrategy</i> sumo logic splunk >
Marketing	▼ 3.15x	▲ 19.4x	WIX AllianceData. HubSpot
ERP	▼ 4.67x	— 17.6x	ORACLE PEGA SAP
Human Resources	▼ 8.42x	— 22.4x	RECRUIT PAYCHEX Payroll • HR • Retirement • Insurance workday.
SCM	▼ 9.97x	— 43.6x	AMERICAN SOFTWARE DESCARTES Manhattan Associates.
Payments	— 3.83x	— 17.5x	ACI UNIVERSAL PAYMENTS. PayPal Square
Other	— 3.93x	— 17.6x	NUANCE opentext™ salesforce

2022 Mega Deals (Jan-May)



Seller: Deliverr [USA]

Acquirer: Shopify [Canada]

Transaction Value: \$2.1B

- Order fulfillment & logistics management SaaS



HORIZONTAL
\$35B – 9 Deals



Supply Chain Management



Seller: Acuity Global [USA]

Acquirer: ShipHawk [USA]

- Warehouse management & transaction execution SaaS



SoftSolutions



TA ASSOCIATES



Seller: SoftSolutions [Israel]

Acquirer: Priority Software [TA Associates] [Fortissimo Capital] [Israel]

- SCM & documents management SaaS & mobile app



PEAK ROCK
CAPITAL®

Seller: Mojix [USA]

Acquirer: Peak Rock Capital [USA]

- Inventory & supply chain management SaaS

2022 Mega Deals (Jan-May)

Ideagen    Hg

Seller: Ideagen [United Kingdom]

Acquirer: Hg Capital [United Kingdom]

Transaction Value: \$1.3B (12.6x EV/Sales and 42.2x EV/EBITDA)

- Regulatory & compliance management SaaS



HORIZONTAL
\$35B – 9 Deals



RegTech



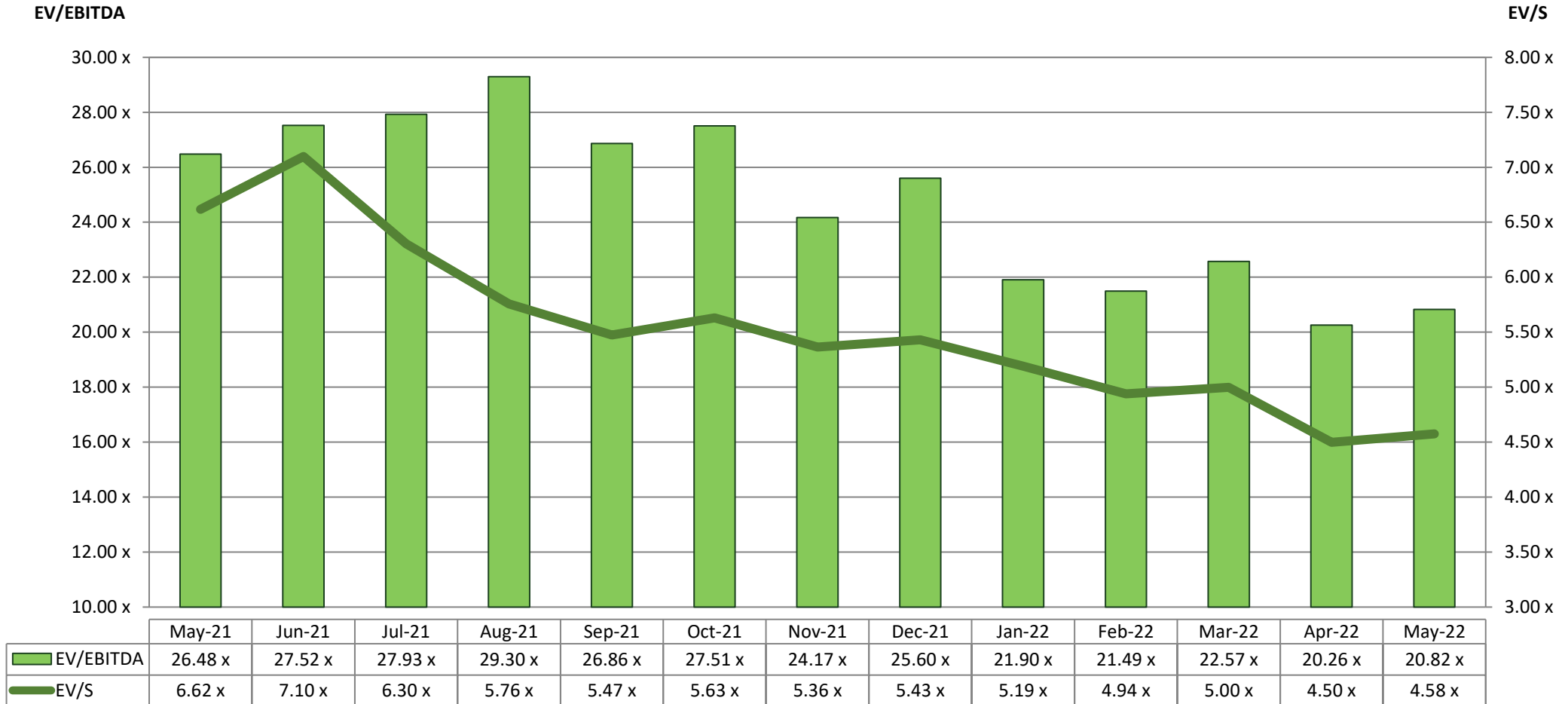
Seller: Quentic [Germany]
Acquirer: AMCS Group [Ireland]
- Workplace EHSQ & ESG management SaaS



Seller: Decision Time [United Kingdom]
Acquirer: Advanced Computer Software Group [Vista Equity Partners]
[United Kingdom]
- Governance, risk & performance management SaaS



Public Valuation Multiples





Subsector	Sales	EBITDA	Examples
A/E/C	— 10.2x	▼ 36.9x	AUTODESK, DASSAULT SYSTEMES, SYNOPSYS®
Automotive	▼ 3.50x	▼ 15.5x	Autotrader Scout24, TrueCar®
Energy & Environment	▲ 3.21x	▲ 20.8x	Schlumberger, Itron, xylem
Financial Services	— 5.52x	— 19.6x	Broadridge®, SS&C, fiserv.
Government	— 2.17x	▲ 14.9x	NORTHROP GRUMMAN, L3HARRIS, tyler technologies
Healthcare	▼ 2.43x	▼ 17.5x	Allscripts™, HealthCatalyst™, Teladoc™ HEALTH
Real Estate	▼ 0.82x	▲ 35.8x	REDFIN, CoStar Group™, Zillow®
Other	— 4.22x	— 27.4x	amadeus®, Rockwell Automation, Sabre.

2022 Mega Deals (Jan-May)



VERTICAL
\$43B – 14 Deals

BLACK KNIGHT[®]



Seller: Black Knight [USA]

Acquirer: Intercontinental Exchange [USA]

Transaction Value: \$13.1B (11.2x EV/Sales and 24.8x EV/EBITDA)
- Mortgage lifecycle management SaaS



Mortgage SaaS



Seller: Loan Vision [USA]

Acquirer: Banyan Software [USA]

- Mortgage accounting management SaaS



Healthcare Robotics



SOLD TO



Seller: medPhoton [Austria]
Acquirer: Brainlab [Germany]
- Healthcare robotic imaging systems



SOLD TO



Seller: Allegro 3D [USA]
Acquirer: BICO Group [Sweden]
Transaction Value: \$6.0M
- 3D bioprinters & materials













SOLD TO



Seller: Grundium [Finland]
Acquirer: EW Healthcare Partners [USA]
- AI-based pathology microscope scanners and SaaS



Hospitality Solutions

Seller	Acquirer	Seller Country	Description
		Germany	\$105M Hospitality POS systems & SaaS
		India	Hospitality management, POS & ERP SaaS
		USA	Hotel guest service management SaaS
		Finland	Hotel management SaaS
		USA	Restaurant ordering & marketing SaaS

2022 Mega Deals (Jan-May)



VERTICAL
\$43B – 14 Deals

covetrus



SOLD TO



TPG

Seller: Covetrus [USA]

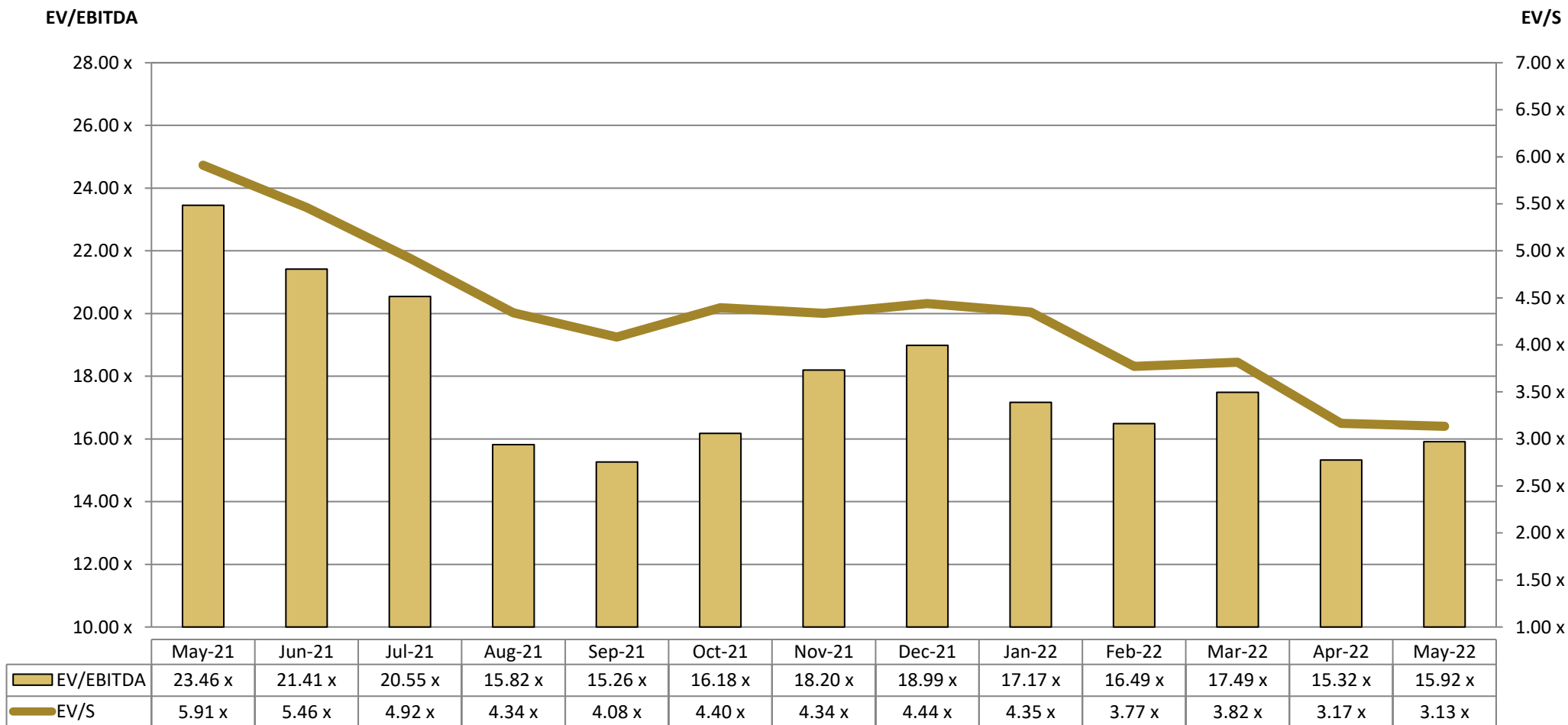
Acquirer: Clayton Dubilier & Rice / TPG Capital [USA]

Transaction Value: \$2.3B and 22.4x EV/EBITDA

- Animal health technology



Public Valuation Multiples





Subsector

Sales

EBITDA

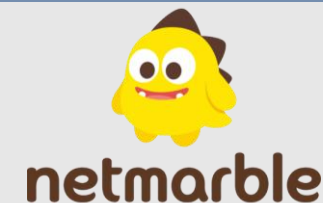
Examples

Casual Gaming

▼ **2.95x**

▲ **18.4x**

**EMBRACER⁺
GROUP**



Core Gaming

▲ **4.36x**

— **14.8x**



Other

▼ **1.76x**

— **11.9x**





Games

SQUARE ENIX

SOLD TO

**EMBRACER⁺
GROUP**

Seller: Square Enix (certain assets) [Japan]

Acquirer: Embracer Group [Sweden]

Transaction Value: \$300M

- Crystal Dynamics, Eidos Montreal, and Canadian mobile division

GAMERZCLASS

SOLD TO

**metafy**

Seller: GamerzClass [Denmark]

Acquirer: Metafy [USA]

- Online videogame teaching services



Entertainment



Seller: Pantaya [Hemisphere Media Group] [USA]

Acquirer: TelevisaUnivision [Univision Holdings] [USA]

- Smart bike-sharing systems



Seller: Team Coco Digital [USA]

Acquirer: SiriusXM [USA]

Transaction Value: reported \$150M

- Online fan-centric multi-channel comedy podcasts



Wellness



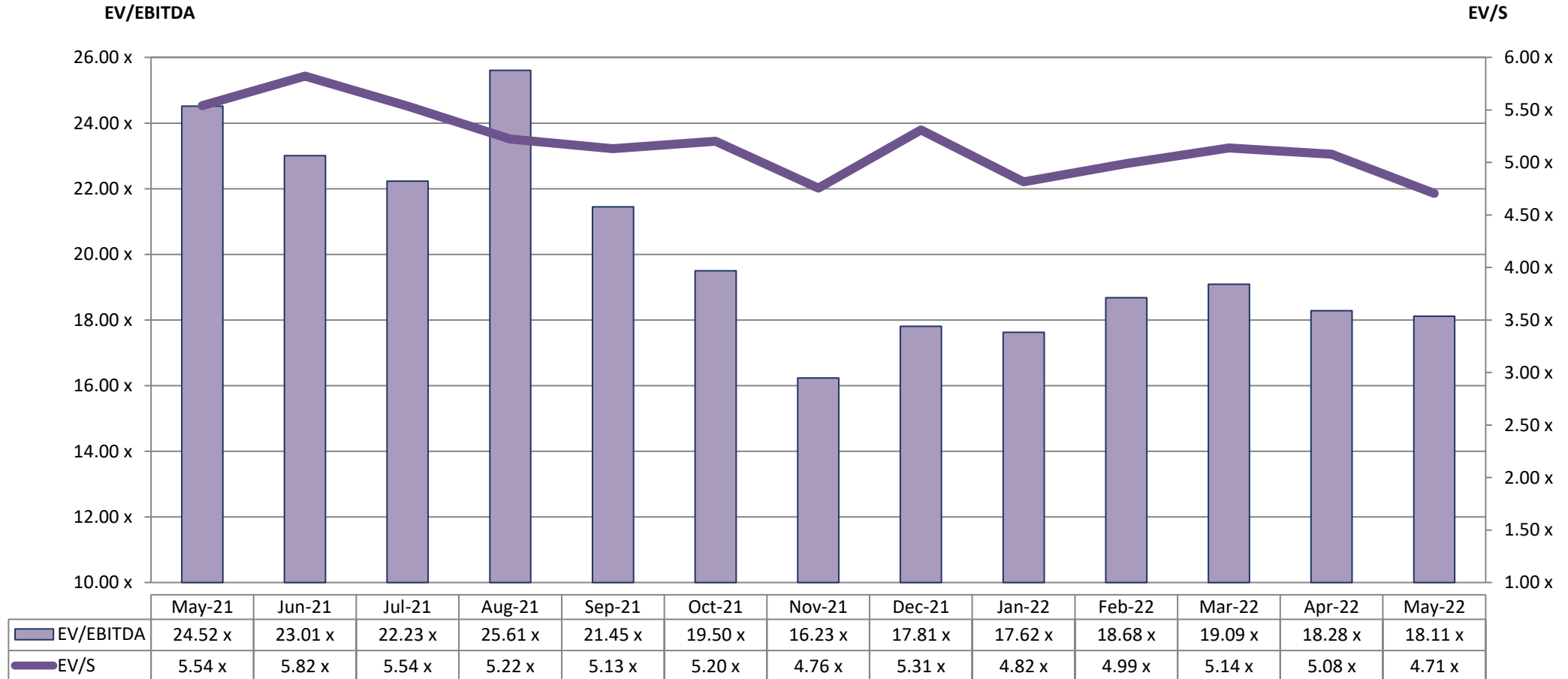
Seller: Recover Athletics [USA]

Acquirer: Strava [USA]

- Runners prehab & injury prevention mobile application



Public Valuation Multiples





Subsector	Sales	EBITDA		Examples
Application Lifecycle	▼ 4.49x	— 11.1x	▲ ATLISSIAN	New Relic® Progress®
Endpoint	— 4.81x	— 25.3x	zoom	Opera vmware®
Network Management	▼ 2.74x	— 15.5x	f5®	CISCO JUNIPER NETWORKS
Security	▼ 8.75x	— 19.7x	paloalto® NETWORKS	Check Point® SOFTWARE TECHNOLOGIES LTD. CYBERARK®
Storage & Hosting	▼ 3.21x	▲ 33.1x	box	COMMVault® NetApp
Other	▼ 5.00x	▲ 22.1x	Akamai	Appian twilio

2022 Mega Deals (Jan-May)



INFRASTRUCTURE
\$102B – 8 Deals

vmware®

SOLD TO



BROADCOM®

Seller: VMware [USA]











Acquirer: Broadcom [USA]

Transaction Value: \$61B (5.3x EV/Sales and 20.6x EV/EBITDA)

- Virtualization SaaS



Identity and Access Management

Seller	Acquirer	Seller Country	Description
 dmarc digests	 Active Campaign >	USA	Email authentication & monitoring SaaS
	 ButterflyMX	USA	Access control SaaS
 ubble	 checkout.com	France	Remote identity verification SaaS
 SMARTAIM	 Oribi MAIN CAPITAL PARTNERS	Netherlands	Identity & access management SaaS
 BehavioSec	 LexisNexis® RISK SOLUTIONS	USA	Behavioral biometrics & authentication SaaS



Content Delivery Technology

M&I BROADCAST SERVICES

SOLD TO

VALSOFT
VALSEF GROUP

Seller: M&I Broadcast Services [Netherlands]
Acquirer: Valsoft [Valsef Capital] [Canada]
- Broadcast radio automation SaaS

encoding.com

SOLD TO

telestream
GENSTAR
CAPITAL

Seller: Encoding.com [USA]
Acquirer: Telestream [Genstar Capital] [USA]
- Media processing & transcoding SaaS

easylive.io

SOLD TO

LIVEU
THE CARLYLE GROUP

Seller: easylive.io [USA]
Acquirer: LiveU [The Carlyle Group] [USA]
- Live video streaming SaaS

ioGates

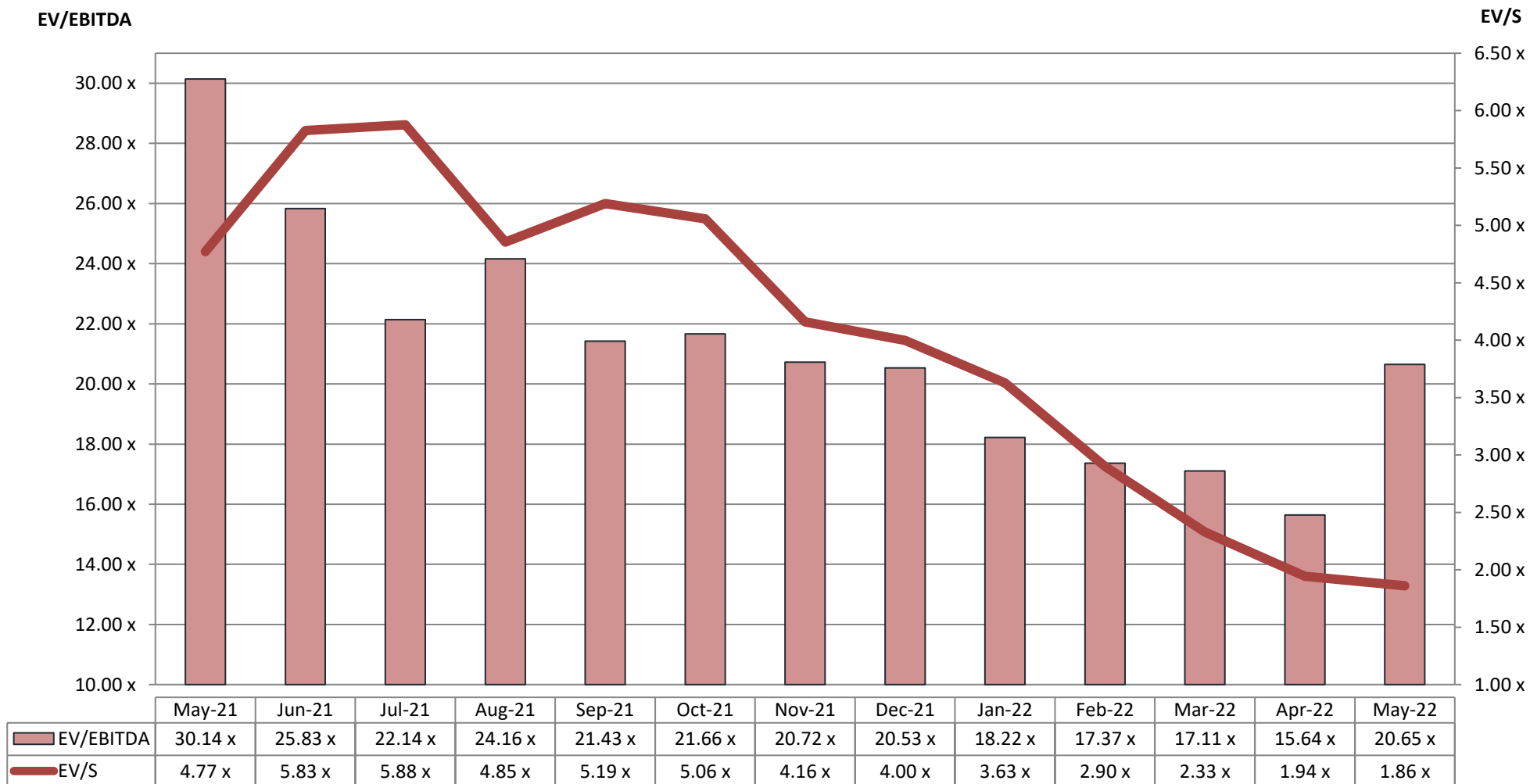
SOLD TO

LWKS

Seller: ioGates [Denmark]
Acquirer: LWKS [United Kingdom]
- Video content management SaaS



Public Valuation Multiples





Subsector

Sales

EBITDA

Examples

Diversified Internet



2.59x



14.6x

Alphabet



Tencent 腾讯

eCommerce



1.07x



22.5x



JD.COM



Social Network



3.00x



7.85x



Travel & Leisure



4.77x



25.0x





Grocery Delivery



Seller: Cajoo Technology [France]

Acquirer: Flink [Germany]

- Online groceries delivery mobile application



Travel and Leisure



SOLD TO



Seller: Viajanet [Brazil]
Acquirer: Despegar [Argentina]
Transaction Value: \$15M
- Brazilian online travel marketplace



THE TIMES OF INDIA
Powered by TIMES INTERNET

SOLD TO



Seller: Dineout Services [Times Internet] [Times of India] [India]
Acquirer: Swiggy [India]
- Online table booking services



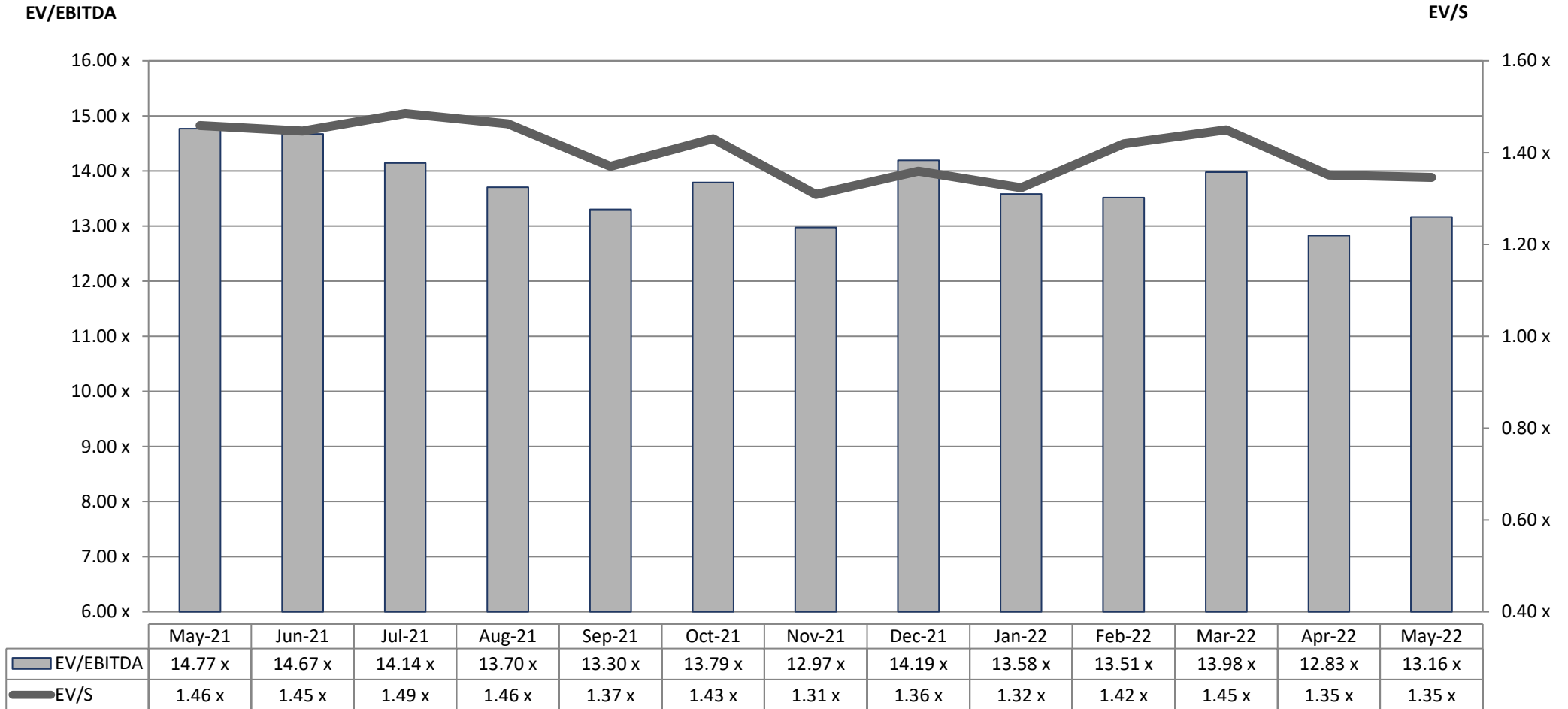
SOLD TO



Seller: Direct Booker [Croatia]
Acquirer: OYO Rooms [India]
Transaction Value: \$5.5M
- Online vacation rental booking services

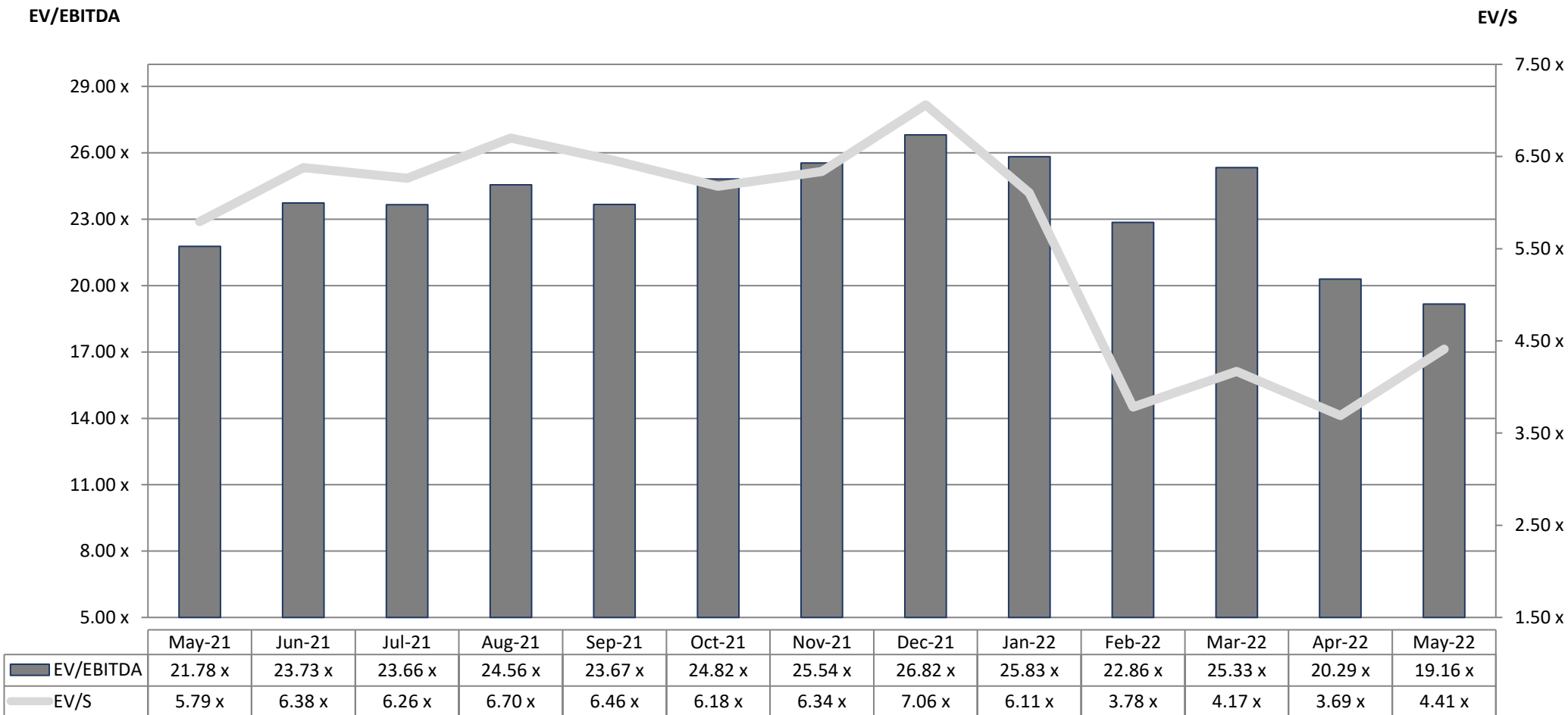


Public Valuation Multiples





Public Valuation Multiples



2022 Mega Deals (Jan-May)

ManTech

SOLD TO

CARLYLE

Seller: ManTech [USA]

Acquirer: The Carlyle Group [USA]

Transaction Value: \$3.9B and 15.9x EV/EBITDA

- IT services for intelligence, defense, and government



IT SERVICES
1 Deal – \$3.9B



Government IT Services



Seller: Technology Integration Group [USA]

Acquirer: Converge Technology Solutions [Canada]

Transaction Value: \$74M

- IT systems integration & consulting services



Seller: Valkyrie Enterprises [USA]

Acquirer: DC Capital Partners [USA]

- US national security engineering & IT services



Focused Systems Integrators



McKinsey
& Company

Seller: S4G Consulting [Spain]
Acquirer: McKinsey & Company [USA]
- Salesforce-focused IT consulting services



Seller: poet [Germany]
Acquirer: All for One Group [Germany]
- SAP-based IT services



Seller: Intellify [Australia]
Acquirer: Deloitte [Australia]
- AWS & Databricks-based IT consulting services



Yasmin Khodamoradi
Vice President,
Valuation Services



Artem Mamaiev
Associate



Anna Lebedieva
Senior Analyst



Olha Rumiantseva
Analyst



Oleksandra Homeniuk
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Tzvi Kilov
Writer

**Special Thanks to
Corum's Ukraine
Research Team!**



Tech M&A Research Report

Complete Global Market Report
Available Upon Request
info@corumgroup.com

On demand webcast will be
available at:
www.corumgroup.com

12 Tips For Choosing An Advisor

12 Tips For Choosing An Advisor

- An M&A advisor will be your front-line agent for:
 - Proper presentation
 - Strategy research
 - Opening doors to potential partners
 - Facilitating meetings
 - Developing credible valuation
 - Consulting on financials, legal, accounting, due diligence matters
 - Negotiating final price and structure

12 Tips For Choosing An Advisor



11%

▪ Buyer solicitations that result in transaction



48%

▪ Average improvement from first offer with an auction process



80%

▪ Failure rate in “self-managed” tech M&A



100%

▪ Deals involving only one bidder that are suboptimal

12 Tips For Choosing An Advisor

Tech company values are based on intellectual property, not hard assets.

It's about your story.

12 Tips For Choosing An Advisor

Choosing the wrong M&A firm will not get you the optimal outcome.

1. Focus on Technology – Selling Software & IT Companies

- If they aren't in Tech. Run away!
- Firms must be able to manage the M&A process from beginning to end to achieve the value you deserve.
- Do they have the experience you need?
- Avoid the “full service” firms that try to do everything.



1. Focus on Technology – Selling Software & IT Companies

- If they aren't in Tech. Run away!
- Firms must be able to manage the M&A process from beginning to end to achieve the value you deserve.
- Do they have the experience you need?
- Avoid the “full service” firms that try to do everything.
- Selling companies requires different:
 - Staff
 - Database
 - Processes
 - Valuation Expertise
 - Due Diligence
 - Experience

2. No Conflict of Interest

- Be sure that your advisor doesn't have conflicts.
- Do they mix their business where they actively represent buyers.
- Great sell-side deal makers know how to get that record value and understand how to play bidders against each to get maximum value.



3. Contract Alignment – Is Your Agreement A True Partnership?

- What does the M&A firm expect?
- You need a firm whose interests align with yours.
- They are assuming part of the risk.
- You don't want someone focused on a commission.



4. Domain Expertise – Thought Leadership

- Avoid advisors who don't have domain expertise and lack thought leadership around technology convergence.
- Your advisor must be able to map your company to the disruptive trends and show how your technology would be a key building block to the buyer's strategy.
- Be sure that you pick an advisor that has the respect of the buyers as both domain experts and thought leaders.
- Don't engage a firm that is too hyper-focused on a particular market or a very small niche.

5. Research is Critical

- The research department should be the largest group in the firm.
- If not, they're relying on public (outdated) information.
- Research is critical in building and maintaining buyer databases.
- It's about the crafting of your "story" and requires developing compelling language or "armor-piercing soundbites".

6. Negotiation—Senior Dealmakers Only

- Don't use rookies for important transaction deals.
- A seasoned pro knows what needs to be done to get the job done right.
- Have a steady experienced hand guiding you during the emotional process.



7. It Takes A Team!

- A good transaction takes an average of 3-5 man years invested.
- No CEO has time to take away from the business.
- Industry leaders in tech M&A assign a team of seasoned experts.
- You Need:
 - Valuation Experts
 - Writers
 - Researchers
 - Presentation Coaches
 - Financial Analysts
 - Lead & Backup Negotiators

8. Curated Proprietary Buyer Database

- Does the M&A firm have the right contacts?
- Do they maintain proprietary data on the acquisition submission process of buyers?
- Does your advisor maintain regular contact with the buyers?
- Do they know them?
- Advisors must have extensive knowledge about the international universe of potential partners, both strategic and financial (PE's).



9. The M&A Process Is The Key To Higher Value

- Does the M&A advisor have a process with a proven track record?
- There's no book value, so it's more about telling your story.
- The process starts with:
 - Preparation
 - Best practices
 - Research
 - Buyer database and exhaustive contact
 - Follow up leading to negotiations
- Inexperienced firms will be happy with just getting you any offer.
- They lack the resources and investment in a buyer knowledge base needed to give you an optimal outcome.

10. You Need the Valuation High Ground

- Valuations too early can scare some buyers off, and leaves money on the table with others.
- Deal comps of private company transactions are seldom publicly known.
- You need an advisor with proprietary information and inside transactional data to provide you with a defensible valuation that will increase your value.
- Each buyer is different. How they view your technology, and the opportunity you represent will impact what they may be willing to pay.

11. Beware – Due Diligence Minefield!

- Due diligence is where deals die, thus you must extensively prepare.
- Understanding your buyer and what's unique in their due diligence is key.
- Be ready to do some defensive driving to anticipate problems and have the right answer.
- You don't want to end up being due diligence roadkill!
- An experienced advisor will keep you out of harm's way.

12. Didn't Sell – What now?

- As a seller, you go into an M&A process with the objective of getting the optimal result for your company.
 - Good price/structure
 - Minimal taxes/liabilities
 - Employment
- Sometimes, it becomes clear that the time just isn't right for a sale.
 - You need to grow more
 - Make changes
 - Release new product

12. Didn't Sell – What now?

- If you need to go on a pause, take advantage of what you've learned in the process.
- Does your advisor have a plan if you don't sell?
- Can they help you take advantage of what you learned?
- Will they take you back to market without extra cost?
- Does their staffing/model allow for that?

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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Thank you!