



Tech M&A Monthly

Quarterly Report: Q3 2018

11 October 2018

Welcome



Timothy Goddard
EVP, Marketing
Corum Group Ltd.

Timothy joined Corum in 2011, and oversees the company's global marketing efforts 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 Report: WFS London 2018
- Field Reports
 - PowerVision
 - Captio
- 2018 Q3 Research Report
- 6 Merger Myths & Misconceptions

World Financial Symposiums London 2018



Tanya Froehlich
Director, European Operations
Corum Group International

Tanya is the Director of European Operations at Corum Group International. Tanya joined Corum in 2006, based in Zurich, she works with the European team coordinating client launches, lead generation, marketing, planning & strategy, recruitment and team integration. She is also the Conference Director of the World Financial Symposium's "Growth and Exit Strategies for Software and IT Companies" in London.

Prior to joining Corum's team, she was a Senior Export Sales Manager for a Leading Asian foodstuff manufacturing/exporting company in Bangkok. She also worked five years in hospitality management for Marriott International.

She has an MBA in Technology Management and is fluent in English, German and Thai.











An aerial photograph of the New York City skyline at sunset. The sky is a mix of blue and orange, with wispy clouds. The city is densely packed with skyscrapers, including the Freedom Tower on the left. The water of the Hudson River is visible on the right side.

New York City 2018

GROWTH & EXIT STRATEGIES

FOR SOFTWARE & IT COMPANIES

Sydney 2018

GROWTH & EXIT STRATEGIES

FOCUS EVENT



PowerVision Acquired by Cortex



David Levine
Senior 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 has been on both sides of the mergers and acquisitions table, having sold a life science technology company, facilitated sell side and buy side technology transactions and has also scaled multiple technology companies globally in the eCommerce, life sciences and innovation intelligence markets.

Dave sits on boards of numerous public and private companies, including one that recently filed for an IPO.

Captio Acquired by Certify



Peter Prince
Senior Vice President
Corum Group



Peter Prince has spent over three decades involved in starting and growing software companies or large divisions of international software companies. As well as following his entrepreneurial spirit he has held a number of senior roles for both privately held and public companies. He was part of several key acquisitions such as Software Artistry to IBM, Infinium to SSA GT and SSA Global to Golden Gate (Infor). He was President of SSA Global EMEA prior to its sale and then CEO of Cogniti.

Peter has a diverse background within the software industry spanning Operations, Sales, Mergers and Acquisitions and Integration. He's been retained by some of the largest Private Equity firms in an advisory capacity.

Peter has also focused on investing both time and funding into start-up and young companies over the recent years in a diverse range of sectors.

He attended Chiltern University attaining a business degree and later attended Harvard Business School successfully completing an executive course, Launching New Ventures.

Corum Research Report



Elon Gasper
EVP, Research



Amber Stoner
Director of Research



Becky Hill
Research Analyst



Alden Mendoza
Research Analyst



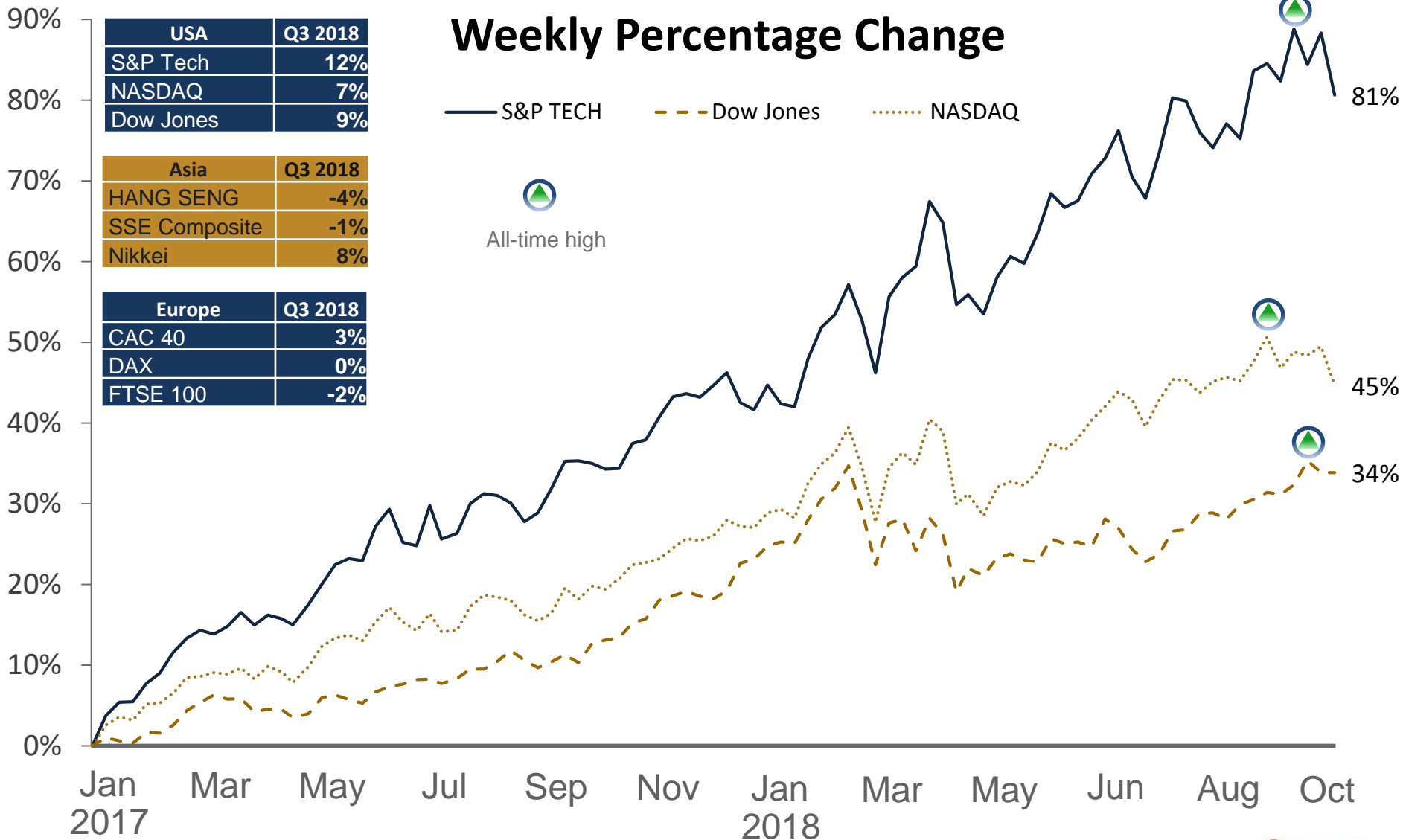
Nadia Eckardt
Client Services



Elizabeth Gotski
Marketing

Public Markets

Weekly Percentage Change



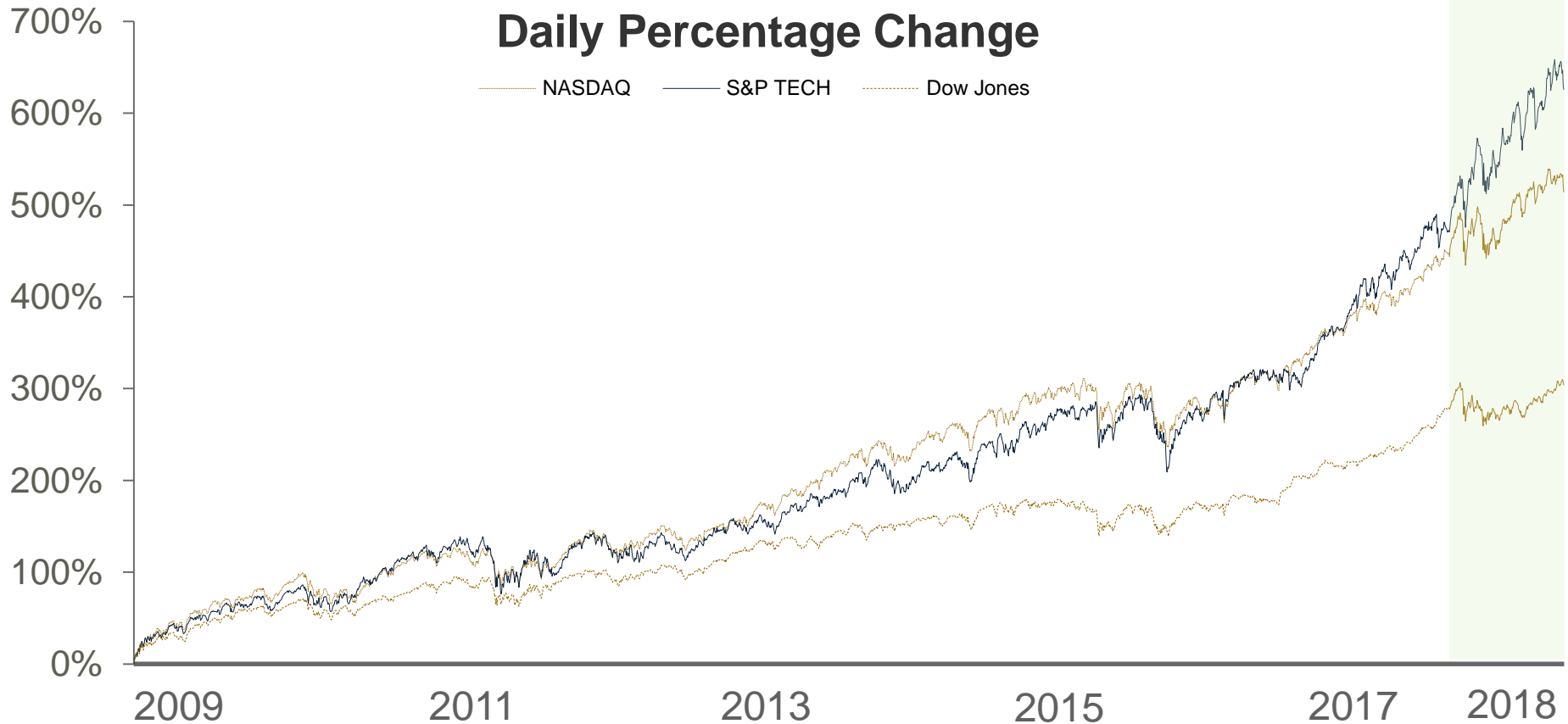
Macro view: 4 Longest Bull Market Runs

		Start	End	Years
1	Current	Mar. 9, 2009	?	9.6
2	Dotcom Bubble	Oct. 11, 1990	Mar. 24, 2000	9.5
3	Postwar Boom	Jun. 13, 1949	Aug. 2, 1956	7.1
4	That 70s Inflation	Oct. 3, 1974	Nov. 28, 1980	6.2

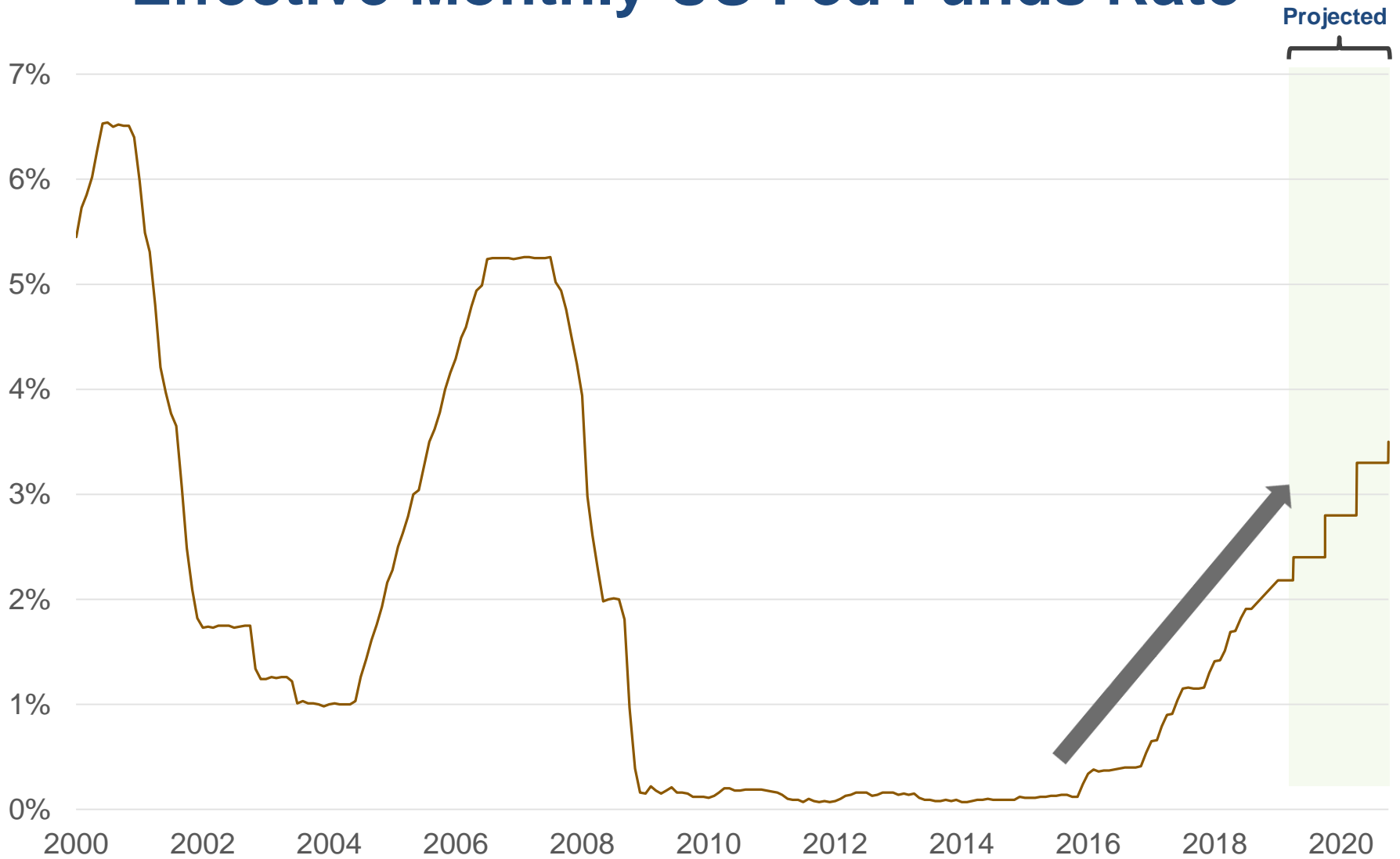


*Since the Great Depression. Source: S&P Capital IQ, The Associated Press

The Bull Market, 2009-Present



Effective Monthly US Fed Funds Rate



Corum Index

Market

Transactions

Q3:2017

805

Q3:2018

885

10%

Mega Deals

16

19

18%

Largest Deal

\$23B

\$19B

17%

Pipeline

Private Equity
Platform Deals

Q3:2017

111

Q3:2018

103

7%

VC Backed Exits

142

138

3%

Attributes

Cross Border
Transactions

Q3:2017

40%

Q3:2018

37%

Start-Up
Acquisitions

10%

11%

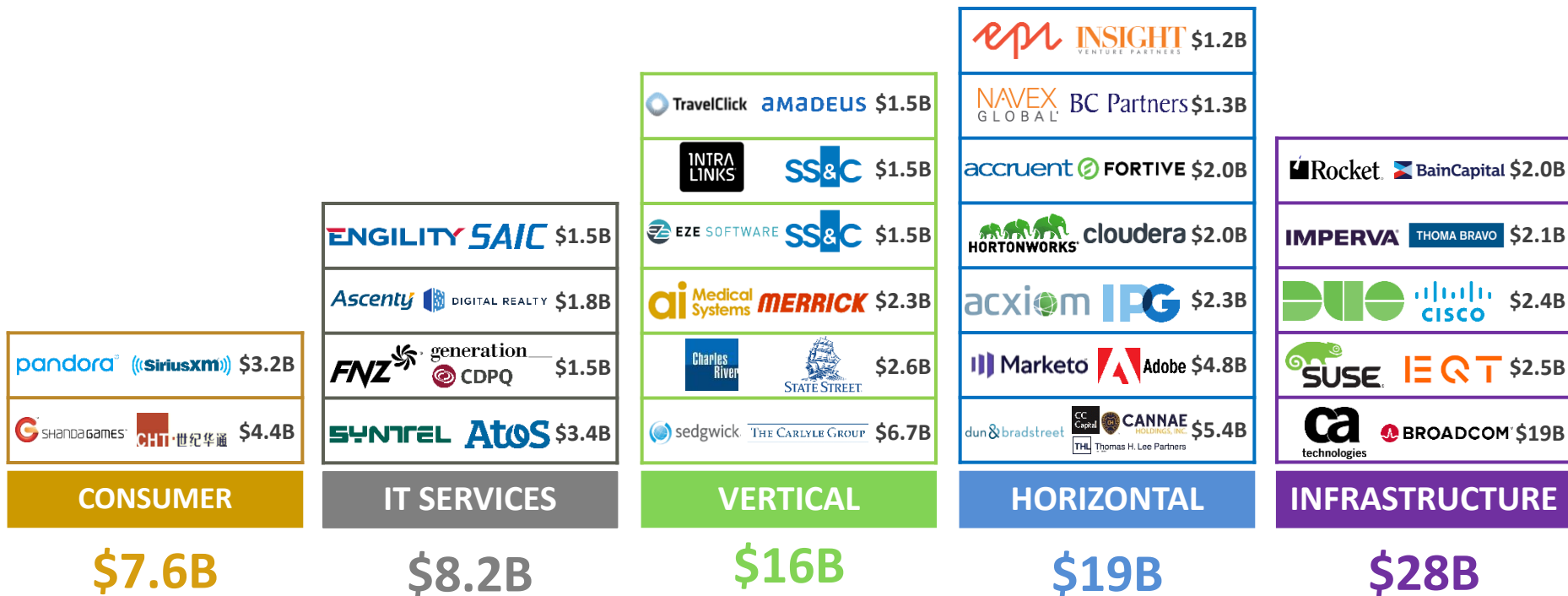
Average Life
of Target

17 yrs

17 yrs

CORUM

Megadeals H2 2018 to Date



Megadeals H2 2018 to Date

pandora[®]

Sold to

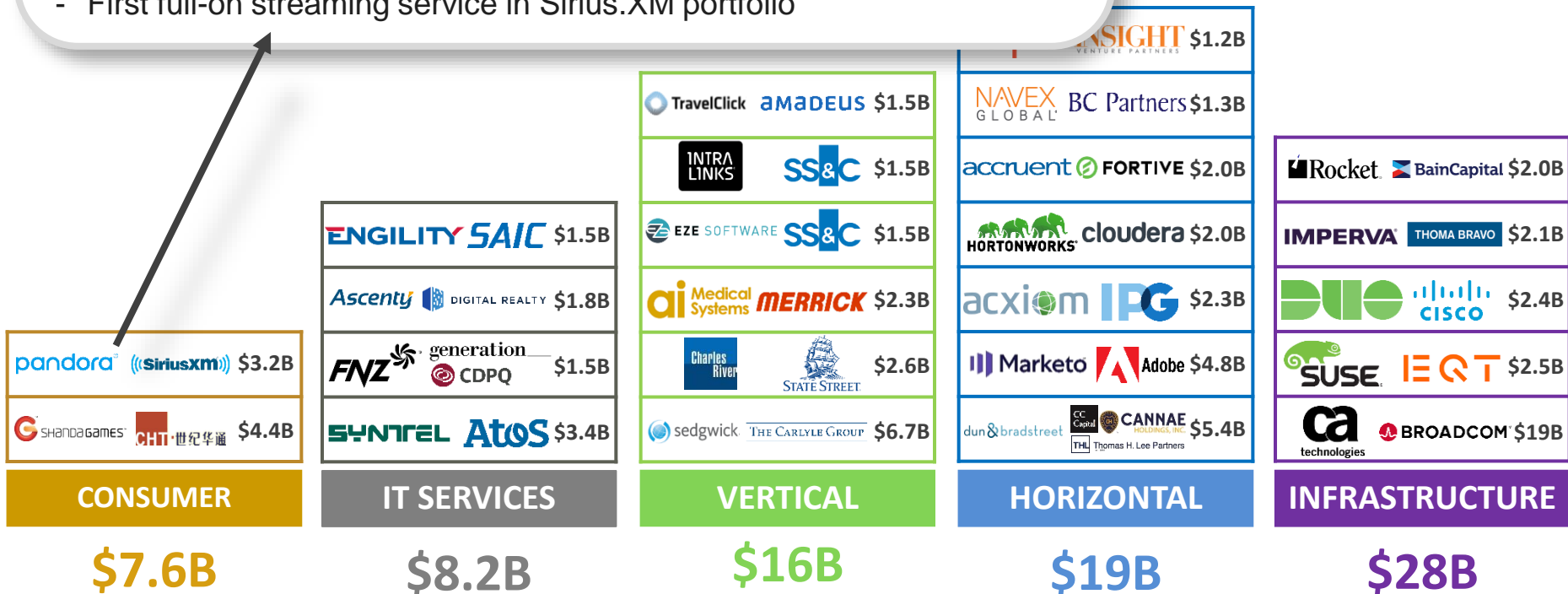
SiriusXM[®]

Target: Pandora [USA]

Acquirer: Sirius.XM [USA]

Transaction Value: \$3.2B (2.4x EV/Sales)

- Subscription-based online music service
- First full-on streaming service in Sirius.XM portfolio



Megadeals H2 2018 to Date



Sold to

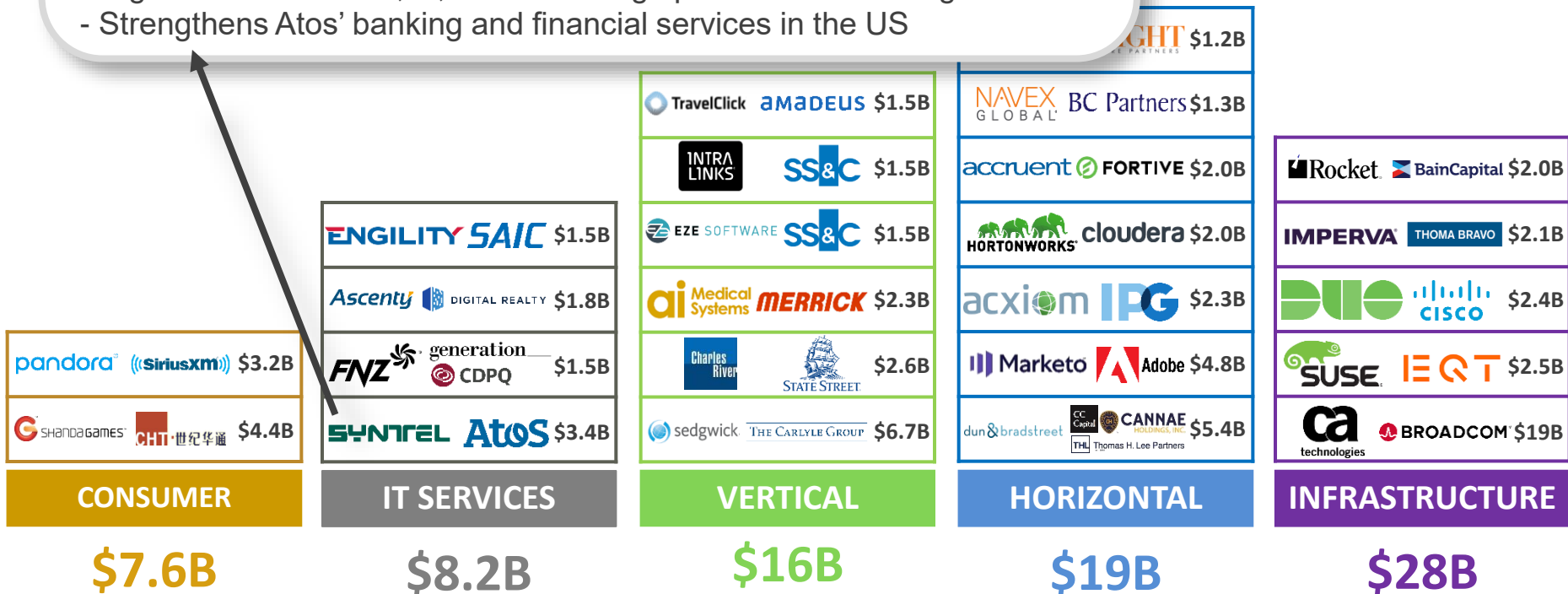


Target: Syntel [USA]

Acquirer: Atos [France]

Transaction Value: \$3.4B (3.7x EV/Sales and 13.4x EBITDA)

- Digital transformation, IT, and knowledge process outsourcing services
- Strengthens Atos' banking and financial services in the US



Megadeals H2 2018 to Date



Sold to

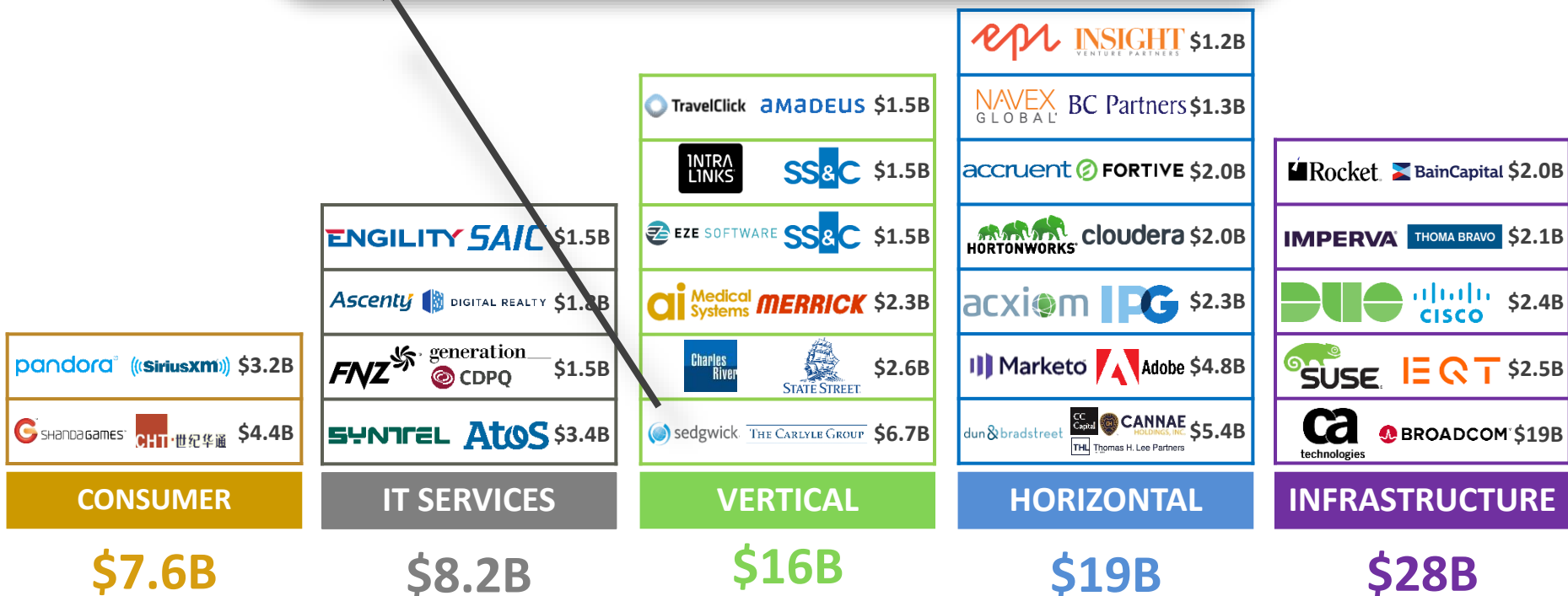
THE CARLYLE GROUP

Target: Sedgwick Claims Management Services [KKR] [USA]

Acquirer: The Carlyle Group [USA]

Transaction Value: \$6.7B

- Tech-enabled insurance claims processing management services



Megadeals H2 2018 to Date

accruent



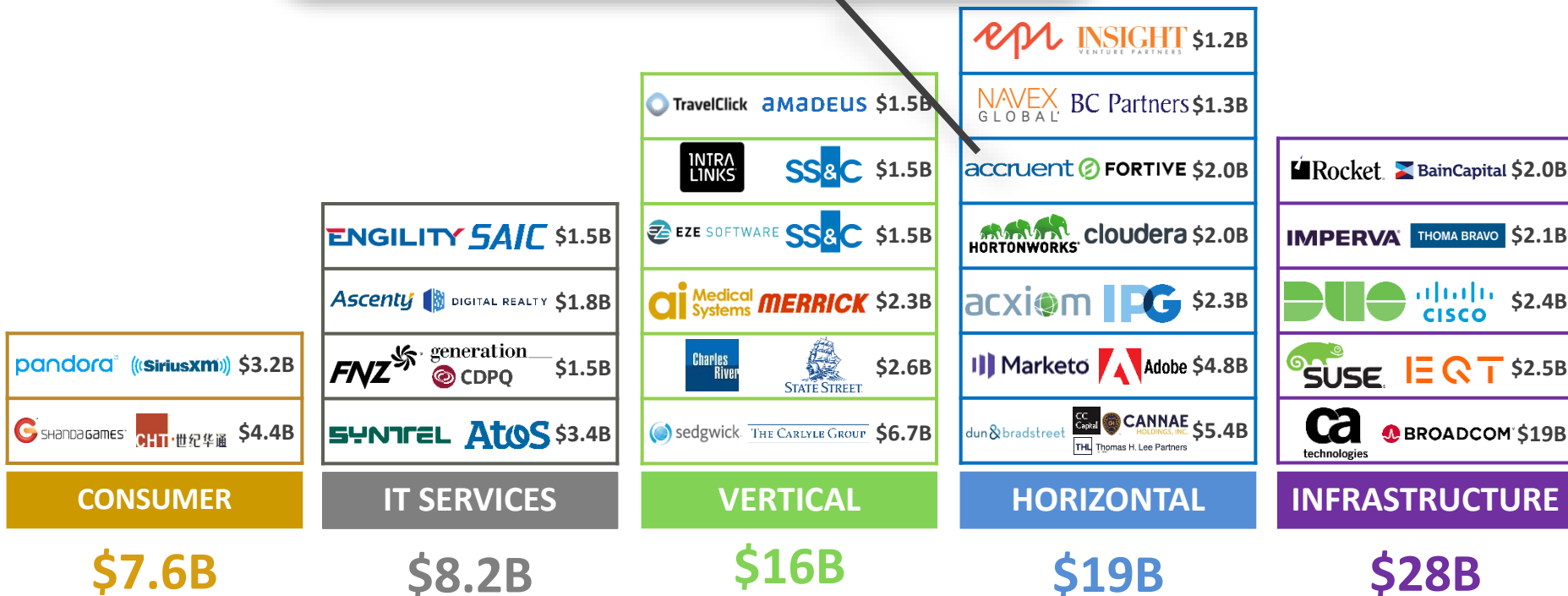
FORTIVE

Target: Accruent [Genstar Capital] [USA]

Acquirer: Fortive Corporation [USA]

Transaction Value: \$2.0B

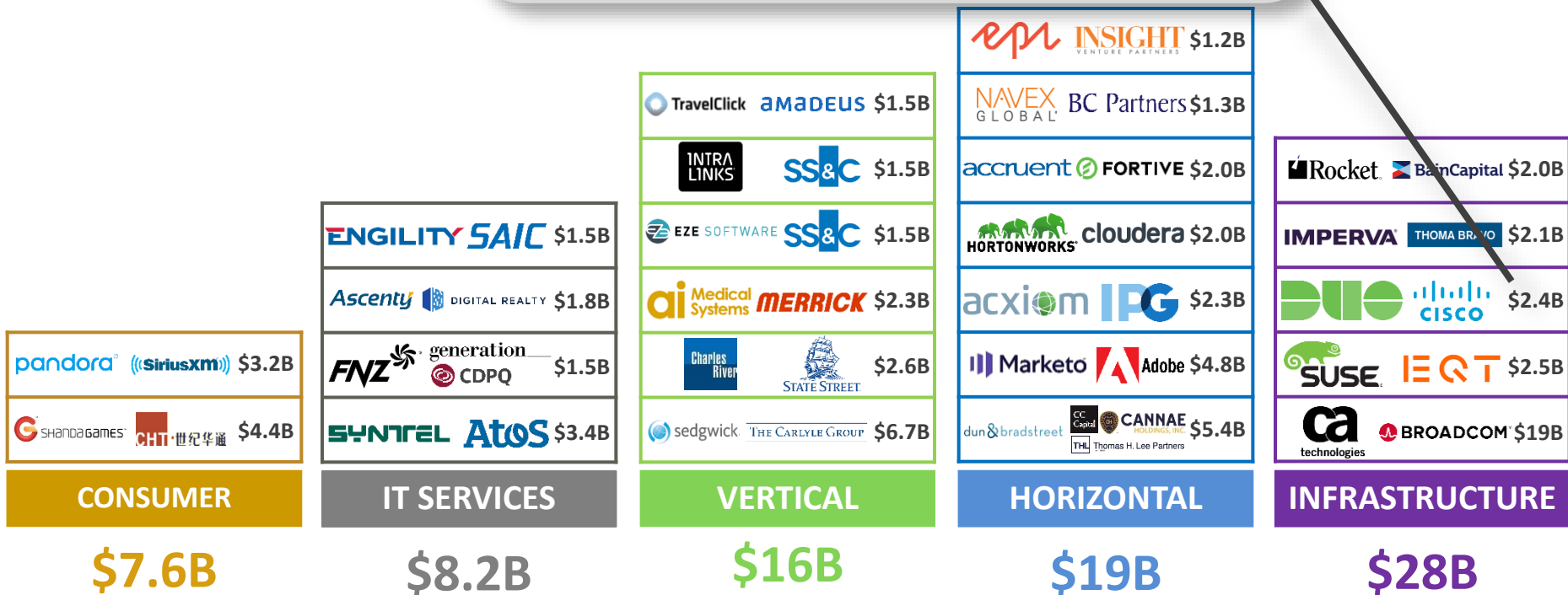
- Facilities management software



Megadeals H2 2018 to Date

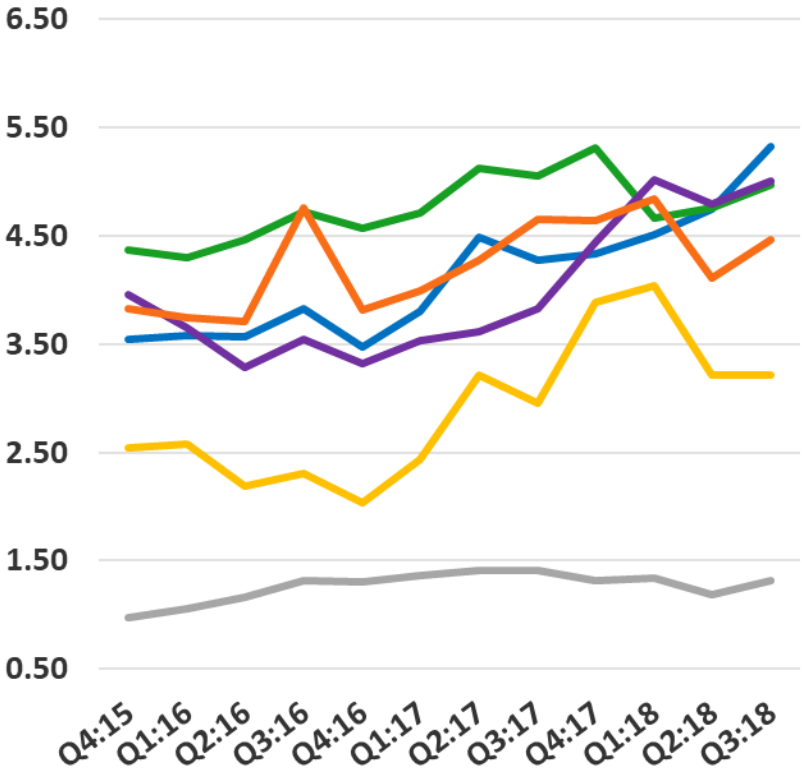


Target: Duo Security [USA]
Acquirer: Cisco Systems [USA]
Transaction Value: \$2.4B
 - Two-factor authentication SaaS



3-Year Market Valuation Trends

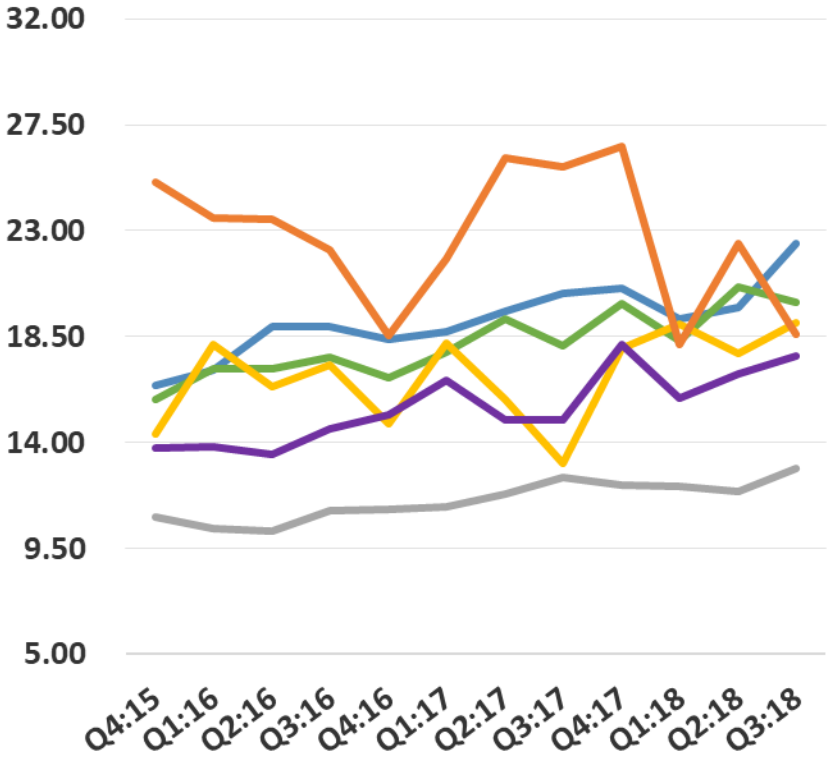
EV/Sales



Horizontal
Infrastructure



EV/EBITDA



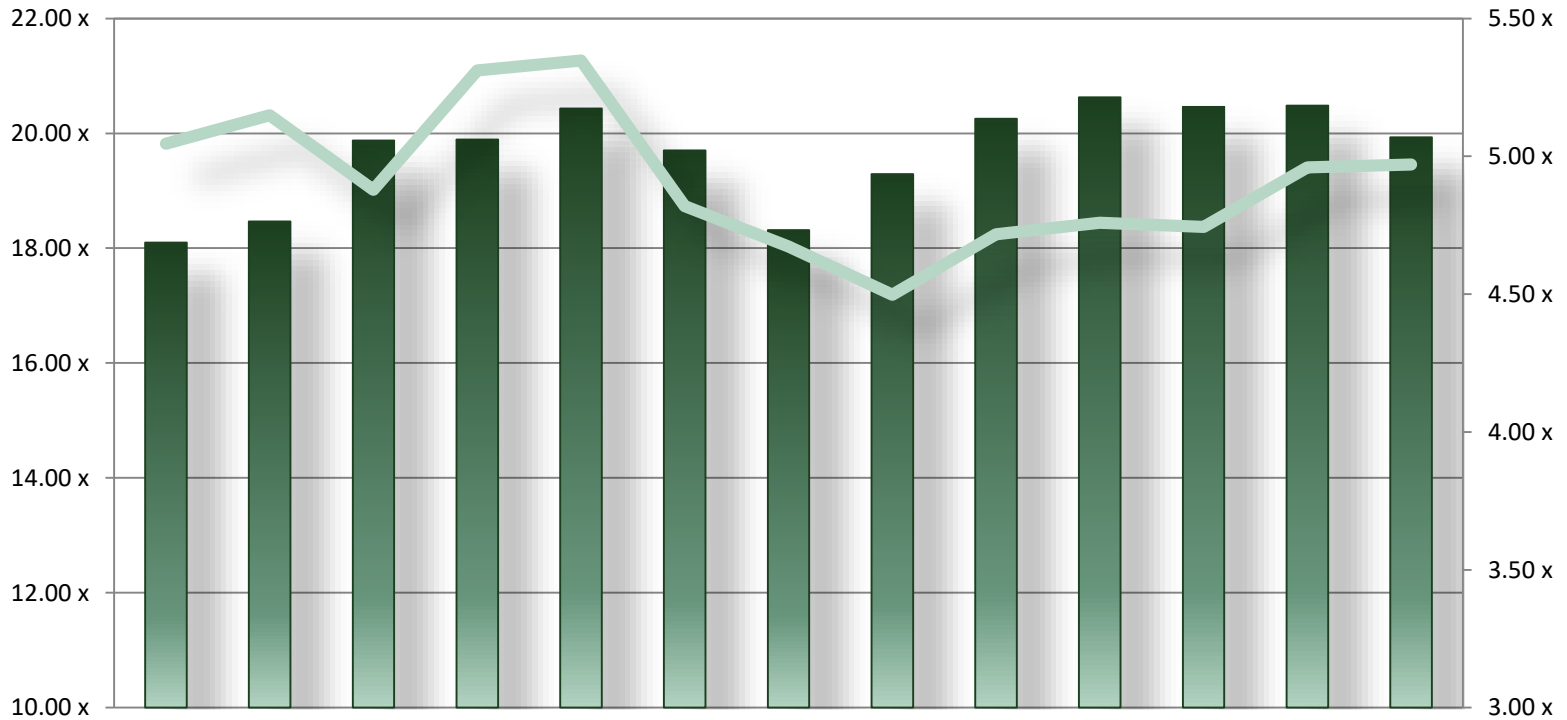
Vertical
Consumer
IT Services
Internet

Vertical Application Software Market

Public Valuation Multiples







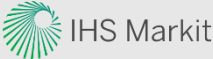

















EV/EBITDA

EV/S



	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
EV/EBITDA	18.10 x	18.47 x	19.87 x	19.89 x	20.43 x	19.70 x	18.31 x	19.29 x	20.25 x	20.62 x	20.46 x	20.48 x	19.93 x
EV/S	5.05 x	5.15 x	4.88 x	5.31 x	5.35 x	4.82 x	4.67 x	4.50 x	4.72 x	4.76 x	4.74 x	4.96 x	4.97 x

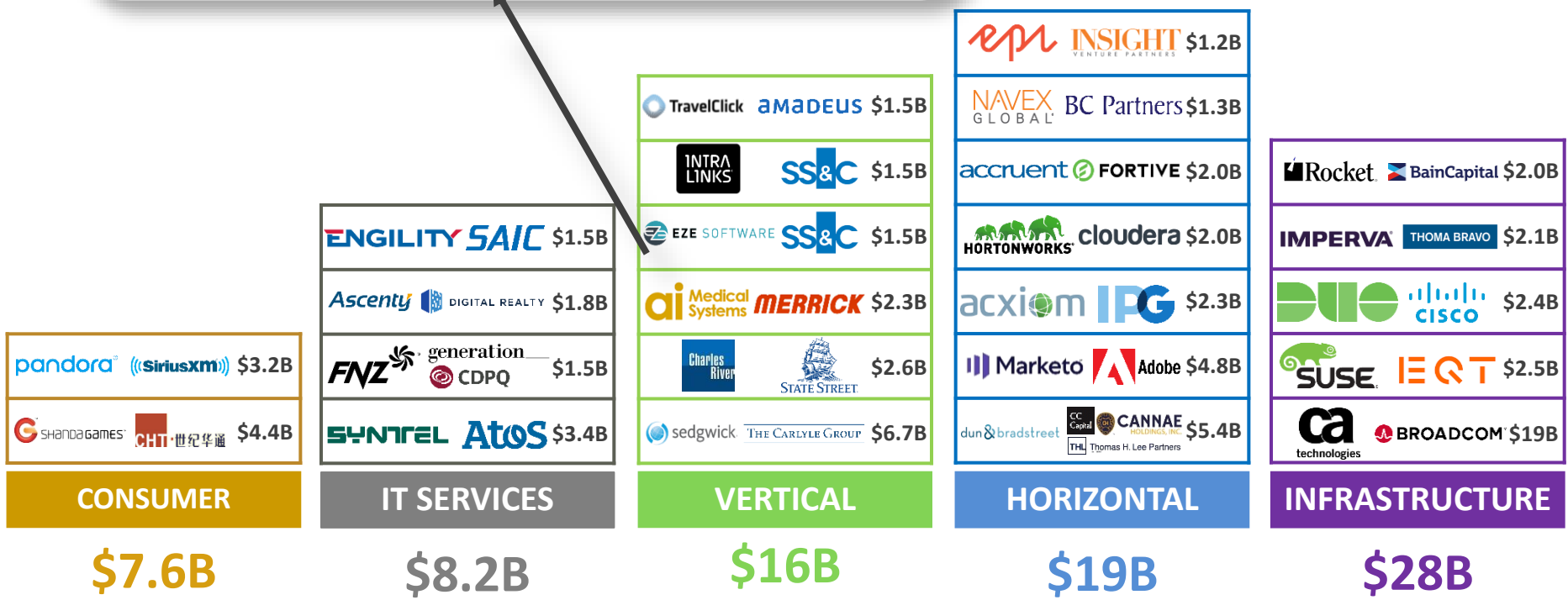
Vertical Application Software Valuations

Subsector		Sales		EBITDA	Examples		
A/E/C	▲	9.87x	▲	33.09x	 AUTODESK.	 DASSAULT SYSTEMES	 SYNOPSYS®
Automotive	—	4.37x	—	16.52x	Autotrader 	 BitAuto 易车	 CDK Global.
Energy & Environment	▼	3.08x	—	16.14x	 IHS Markit	 Itron	 Schlumberger
Financial Services	▲	6.55x	▲	22.81x	 Broadridge®	 FIS	 fiserv.
Government	—	2.34x	▲	15.88x	 NORTHROP GRUMMAN	 Raytheon	 tyler technologies
Healthcare	▲	4.24x	▲	30.42x	 Allscripts	 athenahealth	 Cerner
Real Estate	▼	6.57x	▲	32.28x	 CoreLogic®	 CoStar Group™	 Zillow
Vertical Other	▲	3.46x	▲	16.77x	 AMADEUS®	 Rockwell Automation	 Sabre

Megadeals H2 2018 to Date


EZE SOFTWARE
➔
Sold to


Target: Eze Software Group [TPG Capital] [USA]
Acquirer: SS&C Technologies [USA]
Transaction Value: \$1.5B (5.2x EV/Sales and 14x EBITDA)
 - Financial trade execution SaaS



\$7.6B

\$8.2B

\$16B

\$19B

\$28B



Vertical Application Software Market

Deal Spotlights: Financial Services



Sold to



Target: Cinnober Financial Technology [Sweden]

Acquirer: NASDAQ [USA]

Transaction Value: \$190M

- Business-critical system solutions for exchange trading, risk management



Sold to



Target: BestX [United Kingdom]

Acquirer: State Street Corporation [USA]

- Financial software for real-time, interactive analytics



Sold to



Target: Taliance Group [France]

Acquirer: Altus Group [Canada]

Transaction Value: \$23.4M

- Software solutions for investment management



Vertical Application Software Market

Deal Spotlights: Connected Car



Sold to



Target: Road Track Holding [Mexico]

Acquirer: Ituran Location and Control [Israel]

Transaction Value: \$91.7M and 1.2x EV/Sales; 5.3x EBITDA

- End-to-end connected car platform, OEM software and services



Sold to



Target: Acyclica [USA]

Acquirer: FLIR Systems [USA]

- Big Data analytics SaaS-platform for traffic data



Sold to



Target: Veltec [Brazil]

Acquirer: Trimble [USA]

- Telematic fleet management solutions



Vertical Application Software Market

Deal Spotlights: Healthcare

Mediture

Sold to



Target: HealthGrid [USA]

Acquirer: Tabula Rasa HealthCare [USA]

Transaction Value: \$22.5M

- EHR software systems and services for healthcare information management

NueMD

Sold to



Target: NueMD [USA]

Acquirer: AdvancedMD Software [Marlin Equity Partners] [USA]

- Cloud-based practice management, EHR and medical billing solutions



Sold to



Target: ADS Data Systems [USA]

Acquirer: Consono Services Group [Bluff Point Associates] [USA]

- Affordable software solutions to enhance daily operations, compliance, and cash flow



Sold to



Target: RL Solutions [USA]

Acquirer: Datix [TA Associates] [United Kingdom]

- Software for patient feedback, incident reporting & risk management



Vertical Application Software Market

Deal Spotlights: Healthcare

bluestrata 
ELECTRONIC HEALTH RECORDS

Sold to 

 Mediware®

Target: BlueStrata EHR [USA]

Acquirer: Mediware Information Systems [TPG Capital] [USA]

- Cloud-based EHR solution

Fazzi
BE INVINCIBLE

Sold to 

 Mediware®

Target: Fazzi Associates [USA]

Acquirer: Mediware Information Systems [TPG Capital] [USA]

- Home care consulting services

Rock-Pond
SOLUTIONS 

Sold to 

 Mediware®

Target: Rock-Pond Solutions [USA]

Acquirer: Mediware Information Systems [TPG Capital] [USA]

- Business intelligence and analytics software for pharmacy industry



Vertical Application Software Market

Deal Spotlights: Oil & Gas



Target: Powervision Software [Canada]

Acquirer: Cortex [Canada]

Transaction Value: \$7M

- Electronic document management and workflow management software



Target: Coreworx [Canada]

Acquirer: Vela Software International [Constellation Software] [Canada]

- Planning software for upstream oil and gas industry



THOMA BRAVO

Target: Quorum Software [Silver Lake Partners] [USA]

Acquirer: Thoma Bravo [USA]

- Mobile and cloud based oil and gas software platform



Vertical Application Software Market

Deal Spotlights: Energy Consumption Analytics

YOUSAVE
Gruppo
innowatio

Sold to

enel

Target: Yousave [Innowatio Group] [Italy]

Acquirer: Enel [Italy]

- Energy efficiency services to industrial and service companies

wegowise

Sold to

appfolio

Target: WegoWise [USA]

Acquirer: AppFolio [USA]

- Online software for tracking utility data

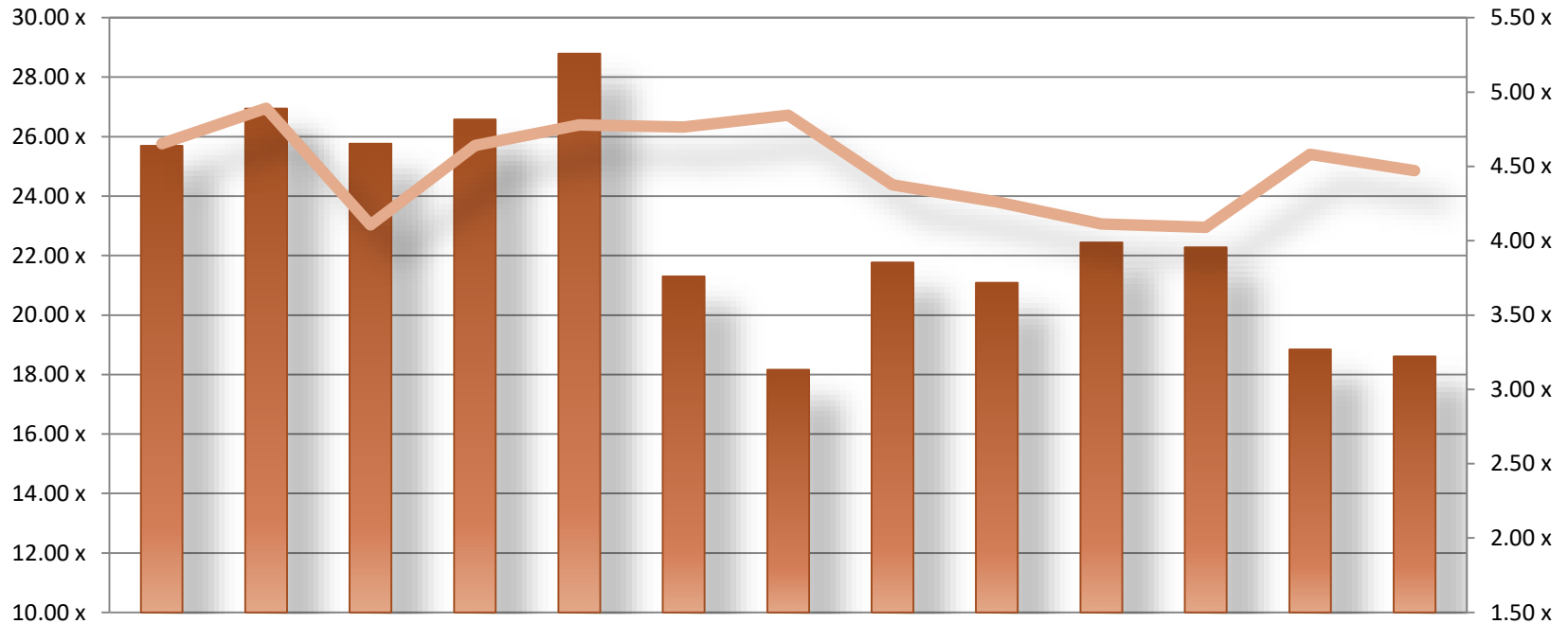


Internet Market

Public Valuation Multiples

EV/EBITDA

EV/S



	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
EV/EBITDA	25.69 x	26.95 x	25.76 x	26.58 x	28.79 x	21.30 x	18.16 x	21.77 x	21.09 x	22.44 x	22.28 x	18.84 x	18.61 x
EV/S	4.65 x	4.89 x	4.11 x	4.64 x	4.78 x	4.76 x	4.84 x	4.37 x	4.26 x	4.11 x	4.09 x	4.58 x	4.47 x

Internet Software Valuations

Subsector		Sales		EBITDA		Examples
Diversified Internet	▲	4.98x	▼	19.28x	Alphabet	Baidu 百度 Tencent 腾讯
eCommerce	▼	0.62x	▼	23.25x	ebay	JD.COM 京东 zalando
Social Network	▼	6.87x	▼	16.91x	f	mixi GROUP twitter
Travel & Leisure	▼	6.76x	▼	22.53x	Expedia®	JUST EAT priceline.com



Internet Market

Deal Spotlights: E-Commerce



Target: CafePress [USA]

Acquirer: Snapfish [District Photo] [USA]

Transaction Value: \$27M

- Online retailer of stock and user-customized on demand products



Target: Vida & Co [USA]

Acquirer: Cimpress [Netherlands]

Transaction Value: \$29M

- Platform for manufacturers and artists for design and production of clothing



Target: BuildASign.com [PWP Growth Equity] [USA]

Acquirer: Cimpress [Netherlands]

Transaction Value: \$274M (2.1x EV/Sales)

- Custom printing services for signs, vinyl banners, car magnets etc.



Internet Market

Deal Spotlights: Travel

pagfare

Target: Gagfare [Hong Kong]
Acquirer: Sharing Economy International [Hong Kong]
Transaction Value: \$3.6M
- Online platform for searching and booking flights

Sold to



getaroom

Target: Getaroom.com [USA]
Acquirer: Court Square Capital Partners [USA]
- Online hotel search and booking services

Sold to



Target: Tropo [ProSiebenSat.1 Media] [Germany]
Acquirer: dnata [Emirates Group] [UAE]
- Online booking for flights, hotels, car hire

Sold to



PRIVATEFLY

Target: PrivateFly [USA]
Acquirer: OneSky [Directional Aviation] [USA]
- Online private flight booking service

Sold to





Internet Market

Deal Spotlights: Ticketing



Sold to



Target: Rukkus [USA]

Acquirer: TickPick [USA]

- Live entertainment search engine that explores ticket sites



Sold to



Target: Picatic [Canada]

Acquirer: Eventbrite [USA]

- Crowd-funding platform for event ticket sales



Sold to



Target: Boxxo [Canada]

Acquirer: Vendini [USA]

- Event ticket management software



Sold to



Target: SportStadion [Netherlands]

Acquirer: Motorsport.com [USA]

- Formula 1, MotoGP and football tickets service

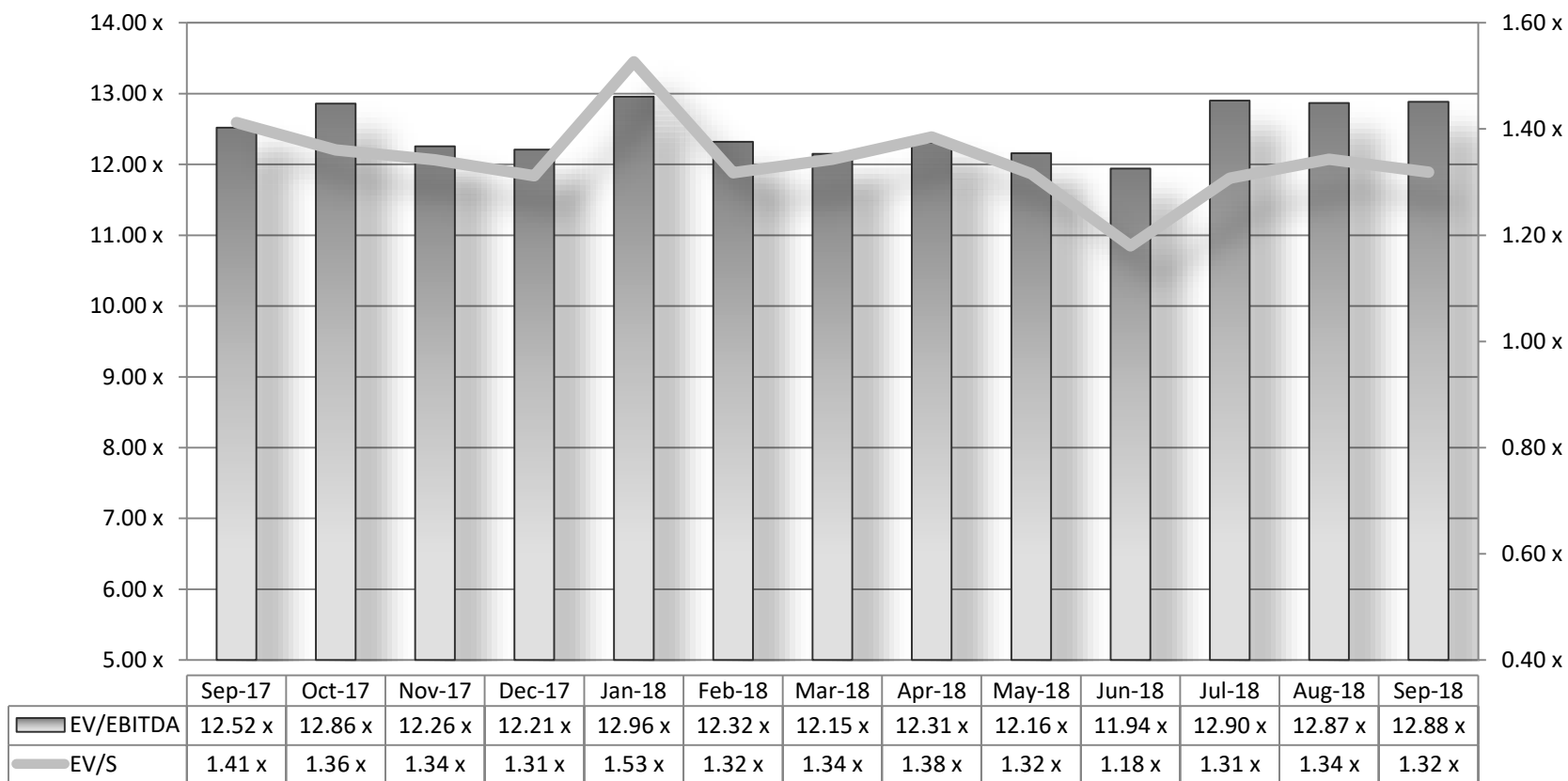


IT Services – Developed Markets

Public Valuation Multiple

EV/EBITDA

EV/S



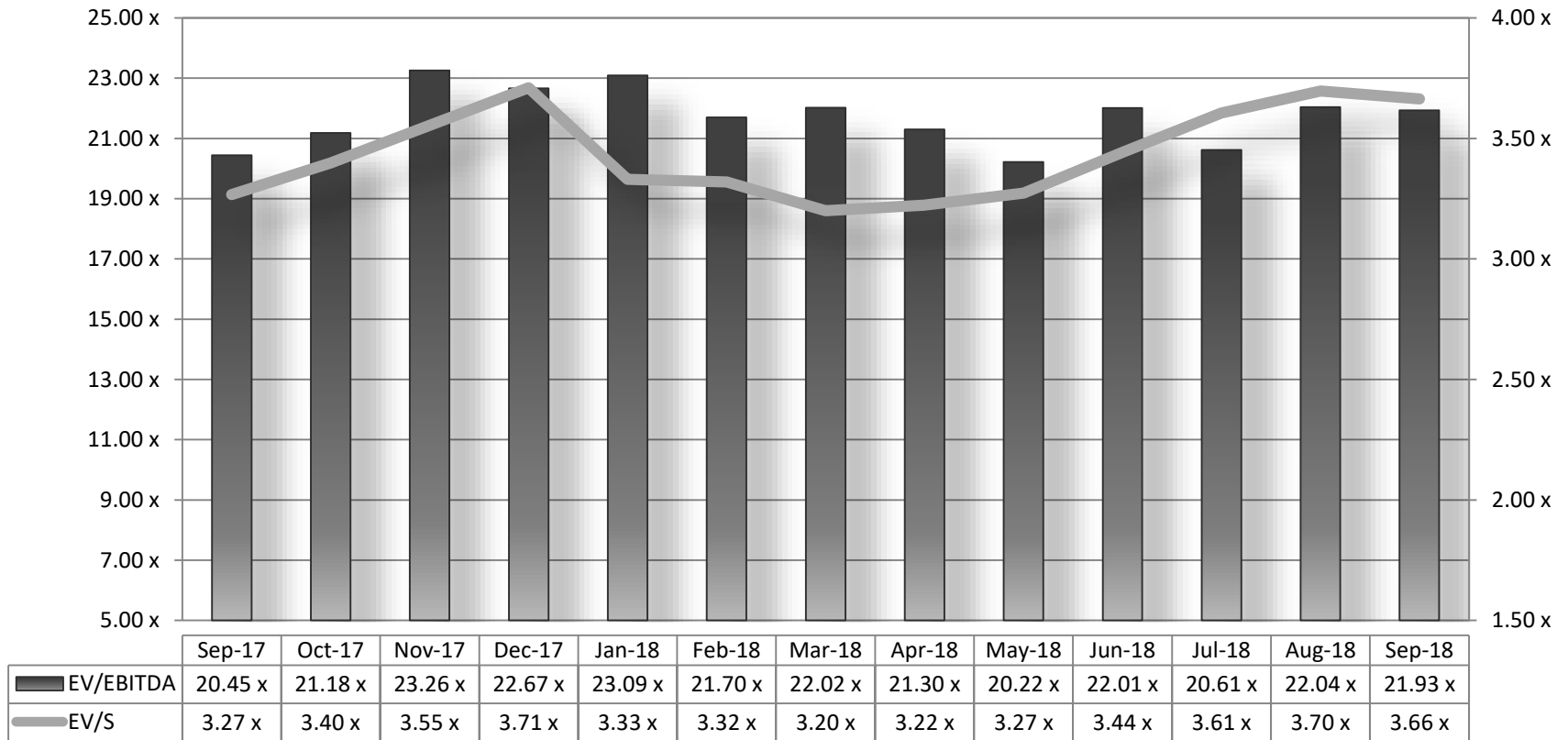


IT Services – Emerging Markets

Public Valuation Multiples

EV/EBITDA









EV/S





IT Services













Deal Spotlights: AWS Integrators

Target	Acquirer	Target Country	Month	AWS Specialty
	Hitachi Vantara	USA	July	Machine learning-based workloads
		USA	August	Analytics and machine learning
		Canada	August	DevOps
		USA	September	Public sector
	Deloitte.	Australia	September	Private cloud



IT Services

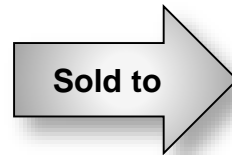
Deal Spotlights: Salesforce SI

Target	Acquirer	Target Country	Month	Description
 SAASFOCUS	 Cognizant	India	August	Consulting, integration, implementation services
 atg	 Cognizant	USA	September	CPQ and Billing integrated solutions
 System Partners	 DXC.technology	Australia	September	Consulting services for enterprise businesses
 emark	 WUNDERMAN	Netherlands	September	Omni-channel solutions
 RAMSEYSOLUTIONS	 A3	USA	September	Web and application developing services
 Idle Tools	 NUBIK	USA	September	Salesforce and Pardot consulting services



IT Services

Deal Spotlight: Digital Signage



CreativeRealities 

Target: Allure Global Solutions [Christie Digital Systems] [USA]

Acquirer: Creative Realities [USA]

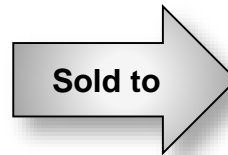
- Digital signage, insight and analytics, and point-of-sale solutions
- Strengthens CRI's content optimization and transactional analytics services



IT Services

Deal Spotlight: Connected Car

Objective



LUXOFT

Target: Objective Software [Germany]

Acquirer: Luxoft [Switzerland]

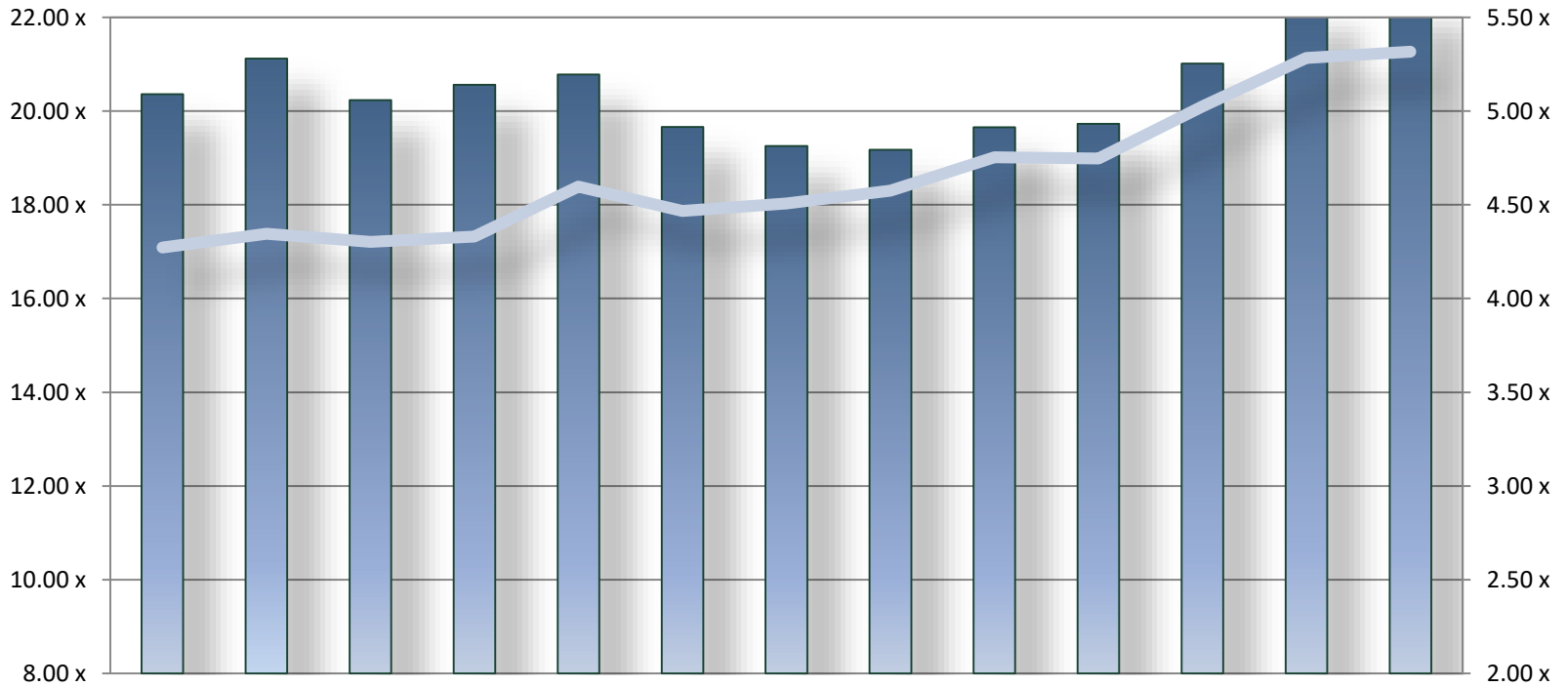
- Software development services and IP based solutions
- Expands Luxoft's autonomous drive and connected mobility capabilities

Horizontal Application Software Market

Public Valuation Multiples









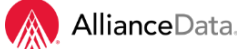































EV/EBITDA

EV/S



	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
EV/EBITDA	20.36 x	21.12 x	20.23 x	20.56 x	20.78 x	19.66 x	19.25 x	19.18 x	19.65 x	19.73 x	21.01 x	22.35 x	22.46 x
EV/S	4.27 x	4.35 x	4.30 x	4.33 x	4.60 x	4.47 x	4.51 x	4.57 x	4.75 x	4.75 x	5.03 x	5.28 x	5.32 x

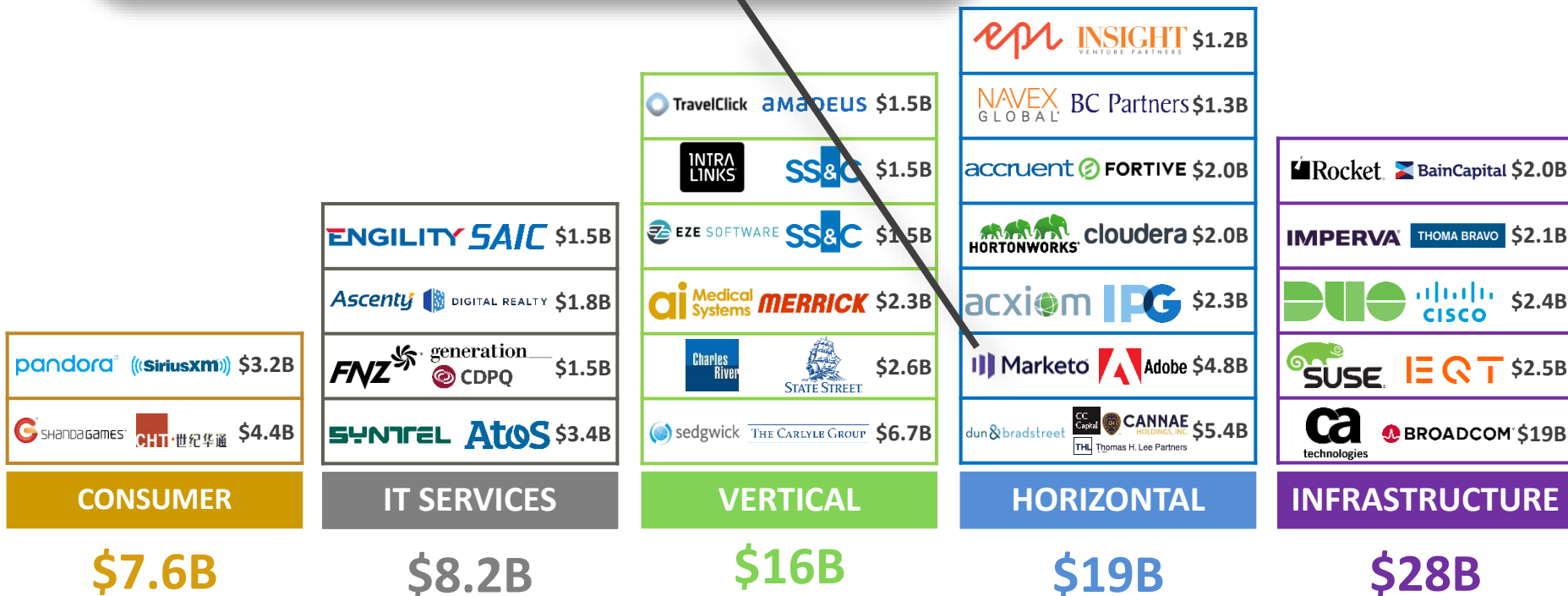
Horizontal Application Software Valuations

Subsector		Sales		EBITDA		Examples
Business Intelligence		4.33x		22.39x		 
Marketing		4.86x		18.98x		 
CRM		6.63x		53.98x		 
ERP		4.97x		18.88x		 
Human Resources		8.62x		49.93x		 
SCM		6.41x		31.60x		 
Payments		5.19x		26.44x		 
Other		3.43x		23.02x		 

Megadeals H2 2018 to Date

 **Marketo™**   **Adobe**

Target: Marketo [Vista Equity Partners] [USA]
Acquirer: Adobe Systems [USA]
Transaction Value: \$4.8B
 - Marketing automation software



Horizontal Application Software Market

Deal Spotlights: Marketing Automation

QGraph

Sold to

Appier

Target: QuantumGraph Solutions [India]

Acquirer: Appier [Taiwan]

- Software for e-commerce marketing



Sold to

 tanla

Target: Karix Mobile [GSO Capital Partners LP] [India]

Acquirer: Tanla Solutions [India]

Transaction Value: \$33.9M (8.7x EV/EBITDA)

- Mobile engagement platform

Horizontal Application Software Market

Deal Spotlights: AI-Enabled Marketing



datorama

Sold to

salesforce

Target: Datorama [USA]

Acquirer: Salesforce [USA]

Transaction Value: \$800M (reported)

- Cloud-based, AI-powered marketing software

cluep

Sold to

IMPACT
GROUP*

Target: Cluep [Canada]

Acquirer: Impact Group [CI Capital Partners] [USA]

- AI mobile ad-tech platform

Liv.ai

Sold to

Flipkart



Target: Liv.ai [India]

Acquirer: Flipkart [Walmart] [India]

- Application program interface for speech converting

Horizontal Application Software Market

Deal Spotlights: Human Capital Management

BirdDogHRTM

Sold to

ARCORO
PROVIDENCEEQUITY

Target: BirdDogHR [USA]

Acquirer: Providence Equity Partners [USA]

- Recruitment and applicant tracking solutions

ExakTime

Sold to

ARCORO
PROVIDENCEEQUITY

Target: ExakTime Innovations [USA]

Acquirer: Providence Equity Partners [USA]

- Time-tracking and attendance solutions



INFINITYHR

Sold to

ARCORO

Target: InfinityHR [USA]

Acquirer: Arcoro [Providence Equity Partners] [Germany]

- HR management systems, payroll and enrollment solutions

Horizontal Application Software Market

Deal Spotlights: Expense Management



Sold to



Target: Captio [Spain]
Acquirer: Certify [K1 Investment Management] [USA]
- Platform for managing travel expenses



Sold to



Target: Abacus [USA]
Acquirer: Certify [K1 Investment Management] [USA]
- Cloud-based expense reporting solution



Sold to



Target: Esize Holdings [Netherlands]
Acquirer: PROACTIS Holdings [United Kingdom]
Transaction Value: \$16M (3.0x EV/Sales and 8.9x EV/EBITDA)
- Cloud-based spend management solutions



Horizontal Application Software Market

Deal Spotlights: Logistics Software



Target: Taric [Spain]
Acquirer: WiseTech Global [Australia]
Transaction Value: \$18.6M (5.3x EV/Sales and 39.1x EV/EBITDA)
- Software for managing customs tariff information

Sold to



Target: Trinium Technologies [USA]
Acquirer: WiseTech Global [Australia]
Transaction Value: \$29M
- Trucking transportation management systems

Sold to



Target: TranspariX [Netherlands]
Acquirer: Logistyx Technologies [USA]
- Transport management optimization solutions

Sold to



Target: Cloud Logistics [USA]
Acquirer: E2open [Insight Venture Partners] [USA]
- Transportation management SaaS

Sold to



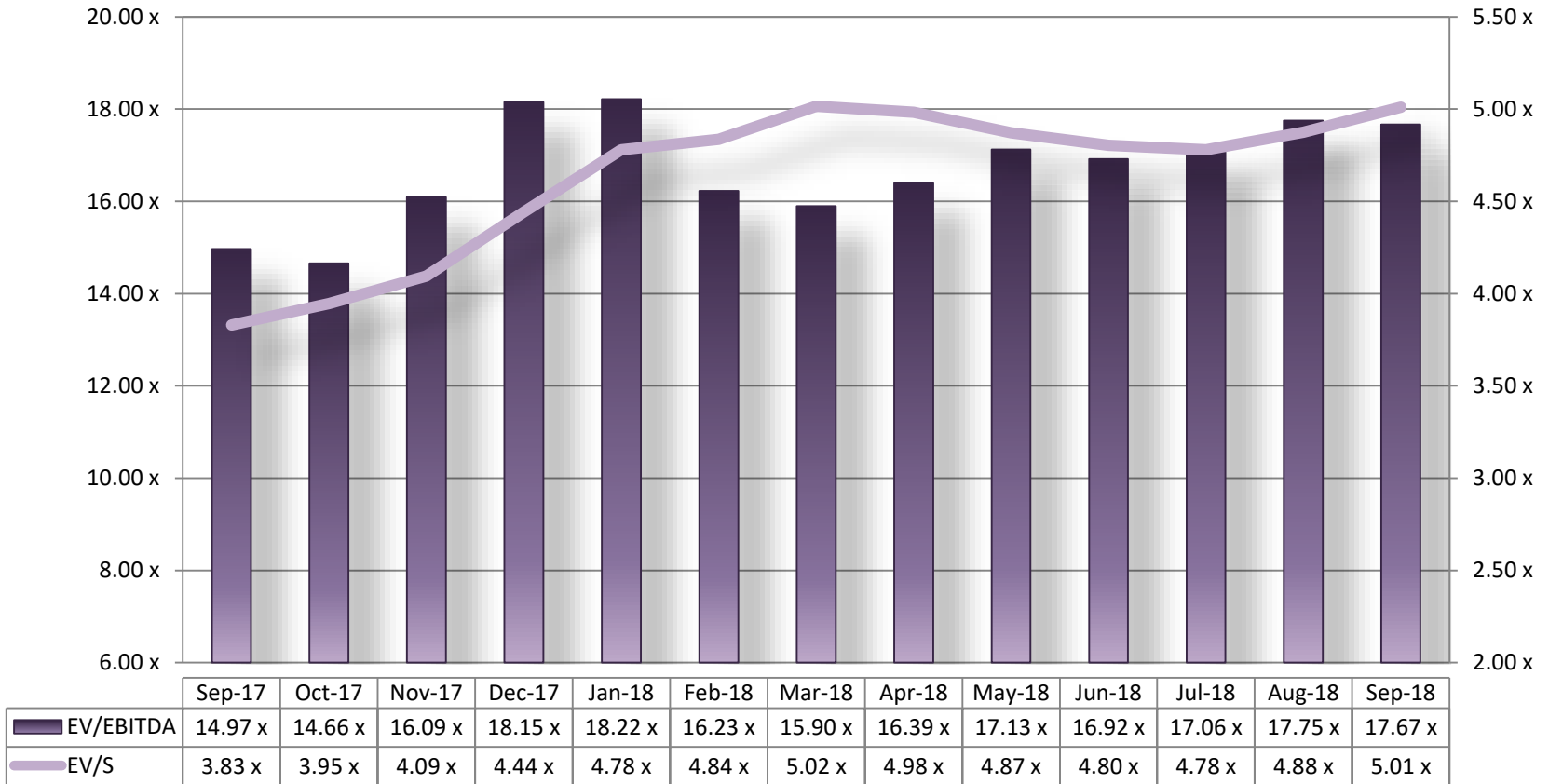


Infrastructure Software Market



















Public Valuation Multiples

EV/EBITDA

EV/S



Infrastructure Software Market

Subsector		Sales		EBITDA		Examples
Endpoint	▼	4.09x	—	17.64x		 Opera 
IT Services Management	—	7.09x	▼	14.59x		 redhat. 
Network Management	▲	5.17x	▲	15.33x		 CISCO 
Security	▲	7.28x	▲	47.14x	 Check Point SOFTWARE TECHNOLOGIES LTD.	 FireEye 
Storage & Hosting	▲	4.24x	▲	58.00x		COMMVAULT  
Other	▼	4.59x	▼	11.64x	 ATLASSIAN	 Progress 



Infrastructure Software Market

Deal Spotlights: Identity and Access Management

Avecto



BOMGAR

Target: Avecto [United Kingdom]

Acquirer: Bomgar Corporation [Francisco Partners] [USA]

- Privileged access management and identity management software

BeyondTrust™



BOMGAR

Target: Software [Veritas Capital] [USA]

Acquirer: Bomgar Corporation [Francisco Partners] [USA]

- Privileged account management and vulnerability management software



Infrastructure Software Market

Deal Spotlights: Identity and Access Management

sms | passcode

Sold to



Entrust Datacard™

Target: SMS Passcode [Denmark]

Acquirer: Entrust Datacard [USA]

- Adaptive multi-factor authentication platform to governments, telcos, enterprises

 **IdentityForce®**

Sold to



EZShield®

Target: IdentityForce [USA]

Acquirer: EZShield [USA]

- Identity theft protection services for individuals, businesses, and government agencies

 **PIREAN**

Sold to

EXOSTAR®

Target: Pirean [United Kingdom]

Acquirer: Exostar [USA]

- Identity and access management SaaS to businesses

 **CROSSMATCH**

Sold to



ASSA ABLOY

Target: Crossmatch [Francisco Partners] [USA]

Acquirer: HID Global [ASSA ABLOY] [USA]

- Manufactures biometric identity management solutions to defense, finance, government



Infrastructure Software Market

Deal Spotlights: Network Security



Secure Designs, Inc.

Sold to



Target: Secure Designs [USA]

Acquirer: ADT Corporation [USA]

- Managed security products and services to business



I C E B R G

Sold to



Target: ICEBRG [USA]

Acquirer: Gigamon [USA]

- Network security software platform for risk reduction



Sold to



Target: Inocybe Technologies [Canada]

Acquirer: Kontron S&T [Germany]

- SaaS to build and manage open networking components



Infrastructure Software Market

Deal Spotlights: Security

Prevoty

Sold to

IMPERVA[®]

Target: Prevoty [USA]
Acquirer: Imperva [USA]
Transaction Value: \$140M
- Web application security

 **intego**

Sold to

 **Kape**[®]

Target: Intego [Bessemer Venture Partners] [USA]
Acquirer: Kape Technologies [United Kingdom]
Transaction Value: \$16M
- Malware protection SaaS and cybersecurity

 **SIFT**
SECURITY

Sold to

 **netskope**

Target: Sift Security [USA]
Acquirer: Netskope [USA]
- Big data and advanced analytics services for risk identification



Infrastructure Software Market

Deal Spotlights: Data Management



Sold to



Target: Podium Data [USA]

Acquirer: Qlik [Thoma Bravo] [USA]

- End-to-end big data management platform



Sold to



Target: AnalytiX DS [USA]

Acquirer: erwin [Parallax] [USA]

- Data mapping and ETL conversion tools



Sold to



Target: Treasure Data [USA]

Acquirer: ARM Holdings [SoftBank] [United Kingdom]

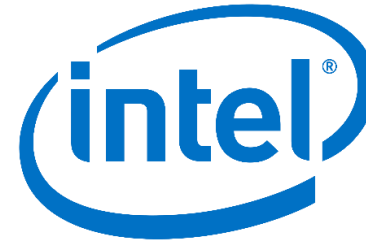
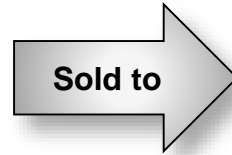
Transaction Value: \$600M (reported)

- End-to-end, fully-managed cloud software for big data



Infrastructure Software Market

Deal Spotlight: AI-based Analytics



Target: Vertex.AI [USA]

Acquirer: Intel Corporation [USA]

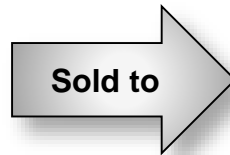
- AI-based software to track and identify objects in real time
- Reinforces Intel's deep learning resources



Infrastructure Software Market

Deal Spotlight: Integration PaaS

built.io[®]



software^{AG}

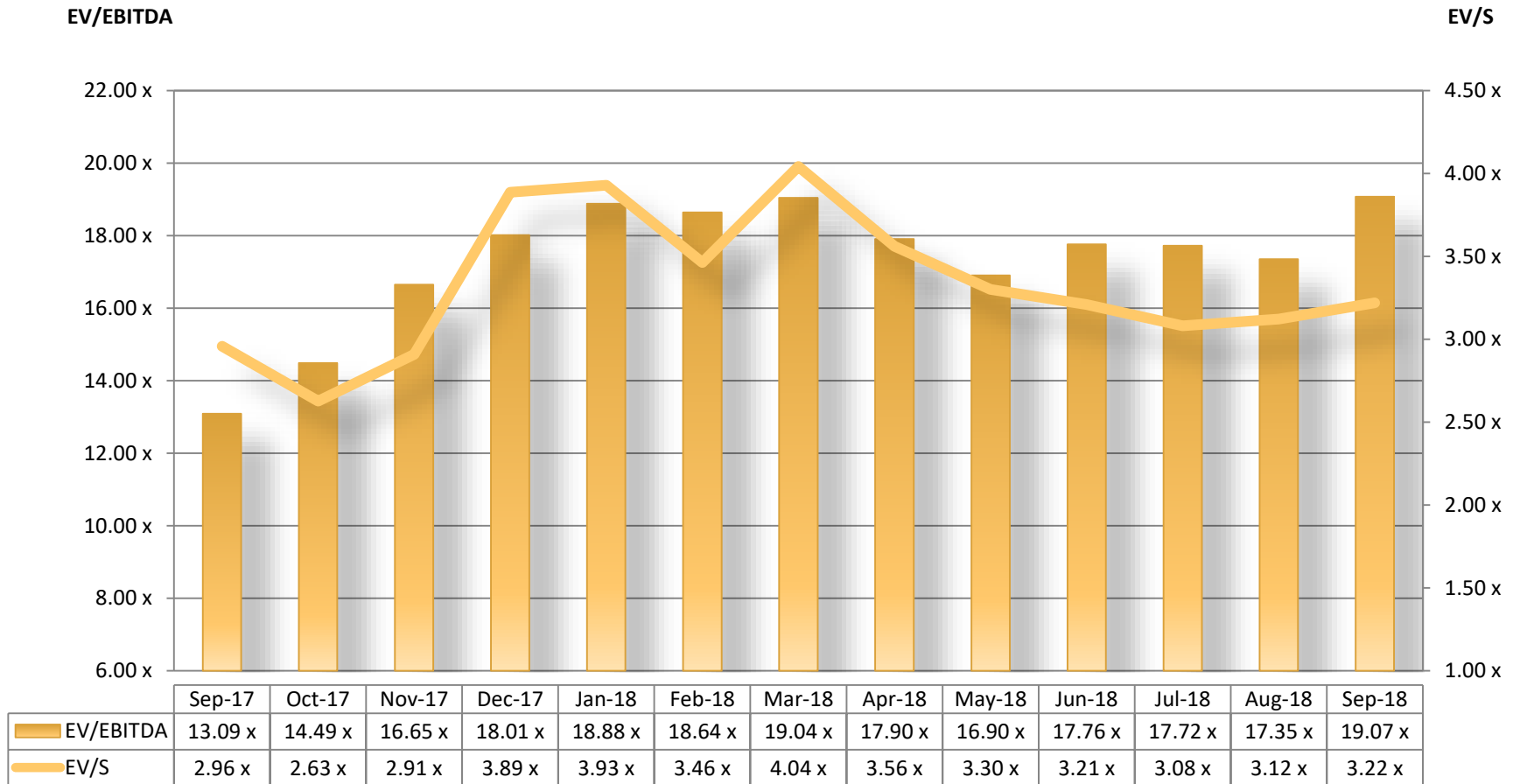
Target: Built.io [USA]

Acquirer: Software AG [Germany]









- iPaaS and a plug and play integration solution for businesses
- Creates hybrid integration platform with Software AG's iPaaS

Consumer Application Software Market



Public Valuation Multiples



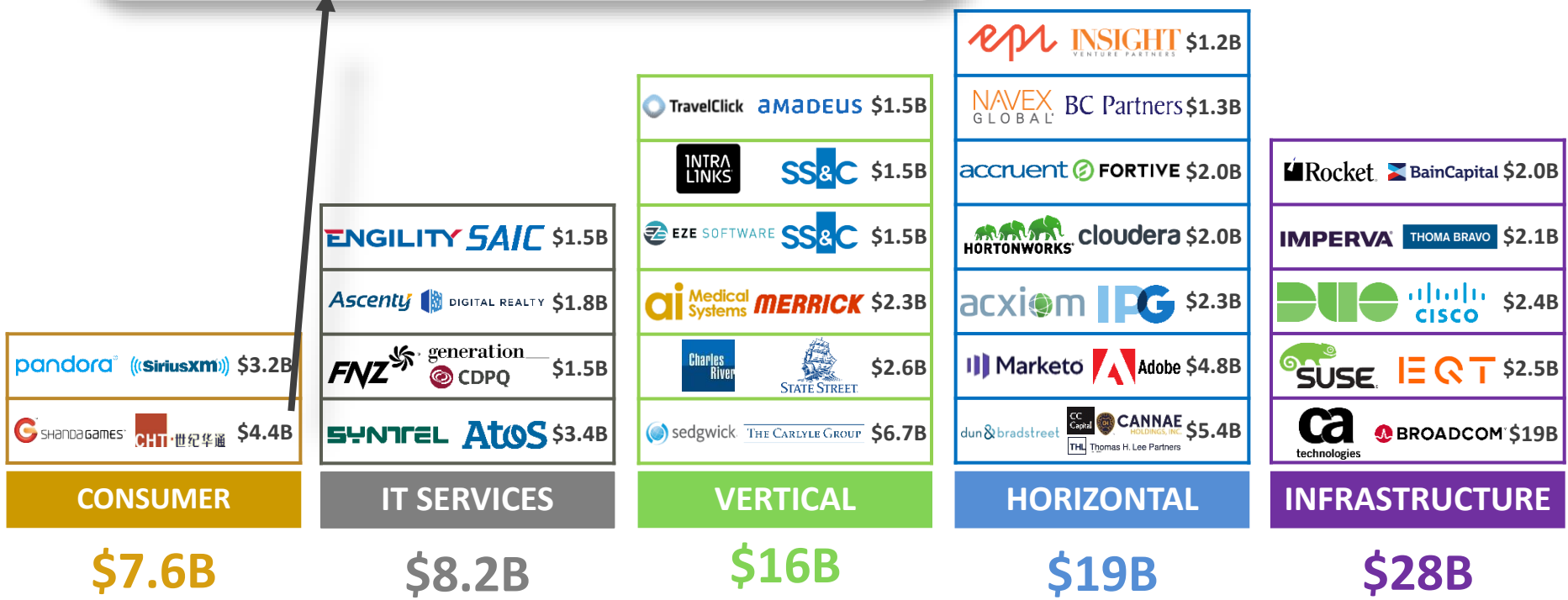
Consumer Application Software Valuations

Subsector		Sales	EBITDA	Examples		
Casual Gaming	—	3.22x	▼ 20.22x			
Core Gaming	—	3.54x	▼ 11.02x			
Other	▲	1.96x	N/A			

Megadeals H2 2018 to Date

 SHANDA GAMES™ **Sold to**  世纪华通

Target: Shanda Games [Shengyue Network] [China]
Acquirer: Zhejiang Century Huatong Group [China]
Transaction Value: \$4.4B (7.1x EV/Sales)
 - Massively multiplayer online role playing games



Consumer Application Software Market

Deal Spotlights: Mobile Gaming



Sold to



Target: Chengdu Skymoos Digital Entertainment [China]

Acquirer: iQiyi [Baidu] [China]

Transaction Value: \$190M

- Online mobile games



Sold to



Target: Industrial Toys [USA]

Acquirer: Electronic Arts [USA]

- Mobile games for core gamers



Sold to



Target: Seismic Games [USA]

Acquirer: Niantic [USA]

- Social games



Sold to



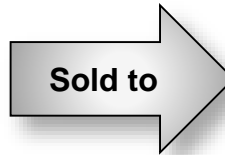
Target: Plexchat [USA]

Acquirer: Warner Bros. Entertainment [Warner Media LLC [AT&T]] [USA]

- Mobile chat platform for gamers to connect and communicate

Consumer Application Software Market

Deal Spotlight: Mobile Gaming



Target: Imperia Online [Bulgaria]

Acquirer: Stillfront Group [Sweden]

Transaction Value: \$11.7M

- Multiplayer online strategic games
- Points to the growing game development industry in Bulgaria

Consumer Application Software Market

Deal Spotlights: Betting

HIGHLIGHT
GAMES

Sold to

 **Cherry**

Target: Highlight Games [United Kingdom]

Acquirer: Cherry [Sweden]

Transaction Value: \$7M

- Virtual sports games and traditional slot games

 **ORYXGAMING**

Sold to

 **BREAKING**
D A T A

Target: Oryx Gaming [USA]

Acquirer: Breaking Data [Canada]

Transaction Value: \$8.7M

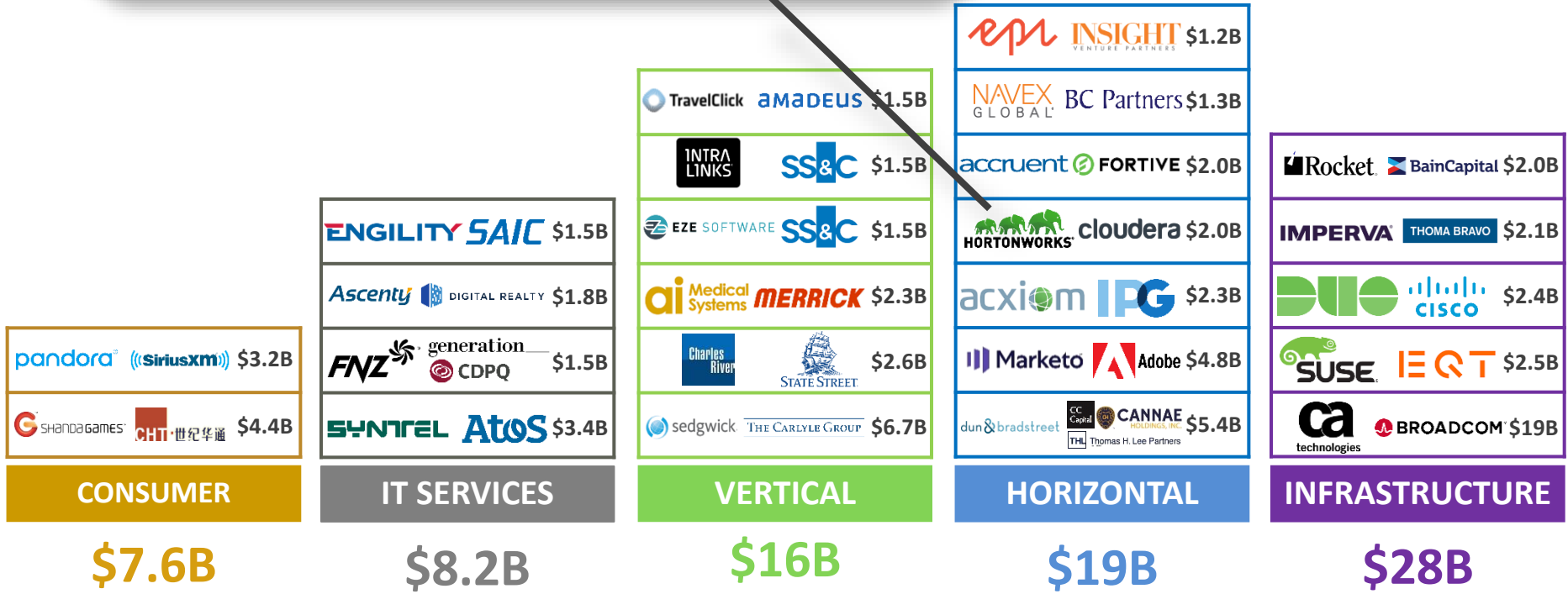
- Turnkey gaming solutions

Megadeals H2 2018 to Date



Sold to  **cloudera**

Target: Hortonworks [USA]
Acquirer: Cloudera [USA]
Transaction Value: \$2.0B (6.6x EV/Sales)
 - Hadoop data processing and management software



\$7.6B

\$8.2B

\$16B

\$19B

\$28B

Corum Research Report



Elon Gasper
EVP, Research



Amber Stoner
Director of Research



Becky Hill
Research Analyst



Alden Mendoza
Research Analyst



Nadia Eckardt
Client Services



Elizabeth Gotski
Marketing



Special Report: 6 Merger Myths & Misconceptions

Moderator



Joel Espelien
President
Corum Group

Joel Espelien has worked in a number of roles over a twenty year career in the technology industry. Most recently Joel served as Senior Advisor to Karmel Capital, where he advised on corporate spin-offs and M&A transactions, including the private-equity backed purchase of DivX LLC from Rovi Corporation and subsequent sale to Neulion, Inc, as well as the successful spin-off of Snaptracs, Inc. and its Tagg wireless pet tracking product from Qualcomm and the eventual two-stage sale to Whistle Labs and Mars Petcare. Joel has also served on the boards of multiple venture-backed companies resulting in successful exits, including AI startup IQ Engines (acquired by Yahoo) and IoT-for-AgTech pioneer 640 Labs (acquired by Monsanto/Climate Corporation). Joel has also written extensively on the future of video in his capacity as Senior Analyst for the Diffusion Group where he published 14 industry research reports as well as a widely recognized weekly blog.

Previously, Joel was the Chief Business Officer, SVP of Strategy and General Counsel of PacketVideo, a pioneer in the mobile video market. While at PacketVideo, Joel led corporate development activities, including multiple buy-side acquisitions in the US and Europe, a groundbreaking technology partnership with Google that helped launch Android, a private-equity backed MBO and ultimately the sale of the company to NTT DoCoMo (Japan).

6 Merger Myths and Misconceptions



Jon Scott
Managing Director
Corum Group International

**Companies are
bought, not sold**

6 Merger Myths and Misconceptions



Rob Schram
Senior Vice President
Corum Group Ltd.

**Just Hang Out
with the
Companies that
Might Buy You**

6 Merger Myths and Misconceptions



Marc O'Brien
Vice President
Corum Group Ltd.

**A Weak Balance
Sheet / No Profits
Means I Can't Sell**

6 Merger Myths and Misconceptions



Dan Bernstein
Senior Vice President
Corum Group Ltd.

#4
**I Am Too
Small to Sell**

6 Merger Myths and Misconceptions



Rob Griggs
Senior Vice President
Corum Group International

**If a Seller Has
Problems,
They Can't Sell**

6 Merger Myths and Misconceptions



Ivan Ruzic
Senior Vice President
Corum Group Ltd.

The Buyer Will Relocate (or Cut) Management & Staff

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.”

Oct. 11: **Grenoble** – MB

Oct. 23: **Kansas City** – SUSO

Oct. 16: **Geneva** – MB

Oct. 24: **Madrid** – MB

Oct. 17: **Amsterdam** – SUSO

Oct. 24: **Reno** – MB

Oct. 17: **Sacramento** – MB

Oct. 24: **Richmond, VA** – MB

Oct. 18: **La Jolla** – SUSO

Oct. 25: **Lisbon** – SUSO

Oct. 23: **Atlanta** – MB

Oct. 25: **Ottawa** – SUSO

Oct. 23: **Barcelona** – SUSO

Oct. 25: **St. Louis** – SUSO

www.CorumGroup.com/Events

CORUM

After the Deal – Celebration





www.corumgroup.com