



Tech M&A Monthly

When You Are Approached

September 13, 2018

Welcome



Timothy Goddard
EVP, Marketing
Corum Group Ltd.

Timothy joined Corum in 2011, and oversees the company's marketing efforts globally from the headquarters near Seattle. Chief among these is Corum's extensive conference schedule, "Selling Up, Selling Out," the Merge Briefing, the Tech M&A Monthly webcast and Corum's platinum sponsorship of the World Financial Symposiums' live events and Market Spotlight series. Through these events, Corum Group serves as the world's leading educator in technology mergers and acquisitions.

Prior to joining Corum, Timothy served as marketing and product manager for GIS software startup Depiction, Inc., and previously worked in marketing for VizX Labs, a pioneering SaaS startup delivering DNA analysis tools. In addition to marketing for software startups, Tim has worked for a US Senate campaign and taught science in Rio de Janeiro.

Timothy graduated Magna Cum Laude from Bethel University in St. Paul, Minnesota, with degrees in History and Biology.

Agenda

- Welcome
- Field Reports:
 - NTP Software
 - ExakTime
 - AnalytiX DS
- Client Fishing Celebration Report
- September 2018 Research Report
- Special Report: When You Are Approached
- Q&A

Field Report: NTP Software



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.

Field Report: ExakTime



Rob Schram
Senior Vice President
Corum Group



Rob has over 30 years of executive and entrepreneurial experience in multiple technologies: Integrated circuit testing, industrial process automation and control, communications software, security software, and energy software and services.

Rob has founded and sold several companies and engaged in two IPOs. He was most recently CEO of Evergreen Fuel Technologies, Inc. in the energy sector. Rob is a broadly skilled strategic development professional with a proven reputation for targeting, negotiating and developing profitable ventures and a demonstrated ability to successfully analyze an organization's critical business requirements, identify deficiencies and opportunities, and develop innovative and cost-effective solutions for enhancing competitiveness, increasing revenues, and improving customer relationships.

Field Report: AnalytiX DS



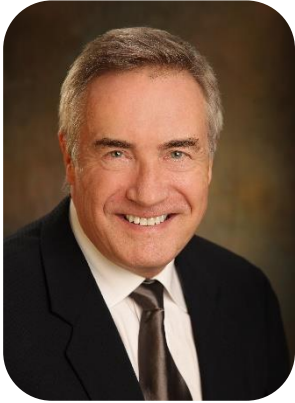
Ivan Ruzic
Vice President
Corum Group



Ivan Ruzic has had a successful 30+ year career in the software business that has included virtually every senior executive role. His resume spans marquee companies such as BEA systems, Novell and Borland as well as multiple startups including his own. His international experience is extensive and in addition to the United States has been involved in mergers and acquisitions in Europe, Africa and Asia.

His success and extensive experience qualify him as an 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.

Client Fishing Celebration Report



Bruce Milne
CEO
Corum Group

Prior to Corum, he founded or owned four software/IT/internet related firms, including the largest vertical market software company in its time, AMI. This Inc. 500 firm, at its peak, was rated by IDC as the fastest growing computer-related company in the world. He has also been at the vanguard of creative financing and, at one point, raised more venture capital in a single closing than anyone in history without a lead investor. Through Corum, he has helped execute over \$1 billion in financings/recapitalizations with VC and PE firms in the U.S. and Europe.

As a recognized expert in software, he has served on numerous advisory boards including Bill Gates at Microsoft, IBM, and Apple. He was founding investor in a number of firms, including Blue Coat, Bright Star and Sabaki, as well as advisor to two governors, a senator, and the Canadian Government. He was a board member of the Washington Technology Center, and founded the WTIA, the nation's most active regional technology trade association.

Client Fishing Celebration 2018



Dinner at Joe Fortes



Flight to Masset



Helicoptering In



Heading Out



Peak Whale Season



Sean Meyers, Endeavor Commerce



 vendavo™

has acquired

 endeavor

Corum acted as exclusive M&A advisor to Endeavor Commerce

CORUM
MERGERS & ACQUISITIONS

CORUM

Guarnieri Brothers, Inflan



has acquired the assets of



Corum acted as exclusive M&A advisor to Inflan

CORUM
MERGERS & ACQUISITIONS

“Team Seattle”



Halibut & Ling Cod



Gourmet Food



Scheming Up New Companies



Rainbows



“Team Scotland”



Nathan Isterling & Luc Pettet – Punters.com.au



News Corp
Australia

has acquired



Corum acted as the exclusive M&A advisor to Punters.com.au

CORUM
MERGERS & ACQUISITIONS

Frederik Decouttere - Genohm



Agilent Technologies

has acquired



Genohm

Corum acted as exclusive M&A advisor to Genohm

CORUM
MERGERS & ACQUISITIONS



Client Fishing Celebration 2018



Corum Research Report



Elon Gasper
EVP, Research



Amber Stoner
Director of Research



Amanda Tallman
Senior Analyst



Becky Hill
Research Analyst

Public Markets 2017-2018

Weekly Percentage Change

— S&P TECH

- - - Dow Jones

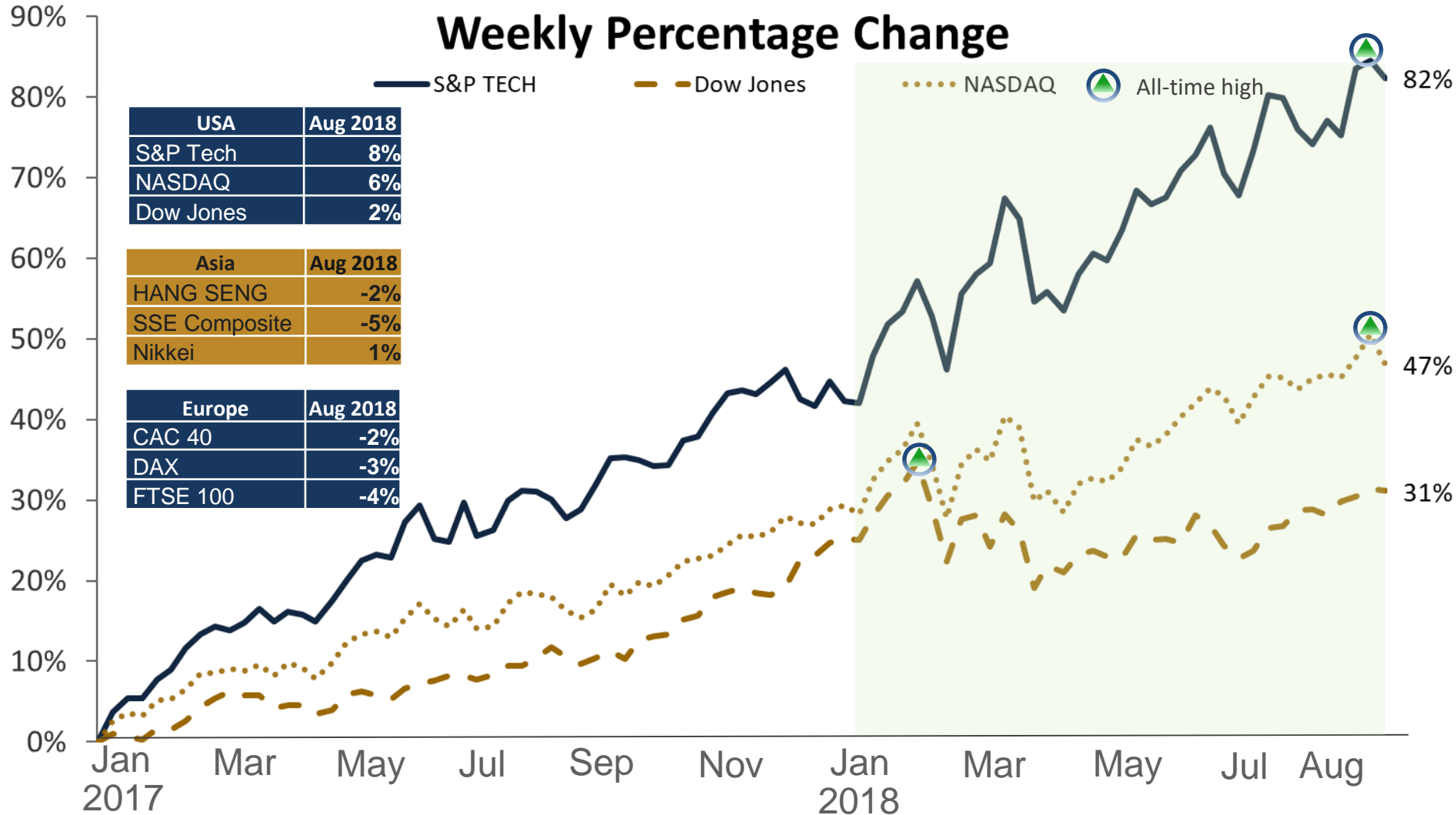
... NASDAQ

▲ All-time high

USA		Aug 2018
S&P Tech	8%	
NASDAQ	6%	
Dow Jones	2%	

Asia		Aug 2018
HANG SENG	-2%	
SSE Composite	-5%	
Nikkei	1%	

Europe		Aug 2018
CAC 40	-2%	
DAX	-3%	
FTSE 100	-4%	



Corum Index – Tech M&A

Market

Transactions

Aug. 2017

307

Aug. 2018

287

7%

Mega Deals

5

3

40%

Largest Deal

\$10.4B

\$5.4B

48%

Pipeline

Private Equity
Platform Deals

Aug. 2017

35

Aug. 2018

31

11%

VC-Backed Exits

57

42

26%

Attributes

Cross Border
Transactions

Aug. 2017

38%

Aug. 2018

34%

Start-Up
Acquisitions

11%

10%

Average Life
of Target

16 yrs

18 yrs

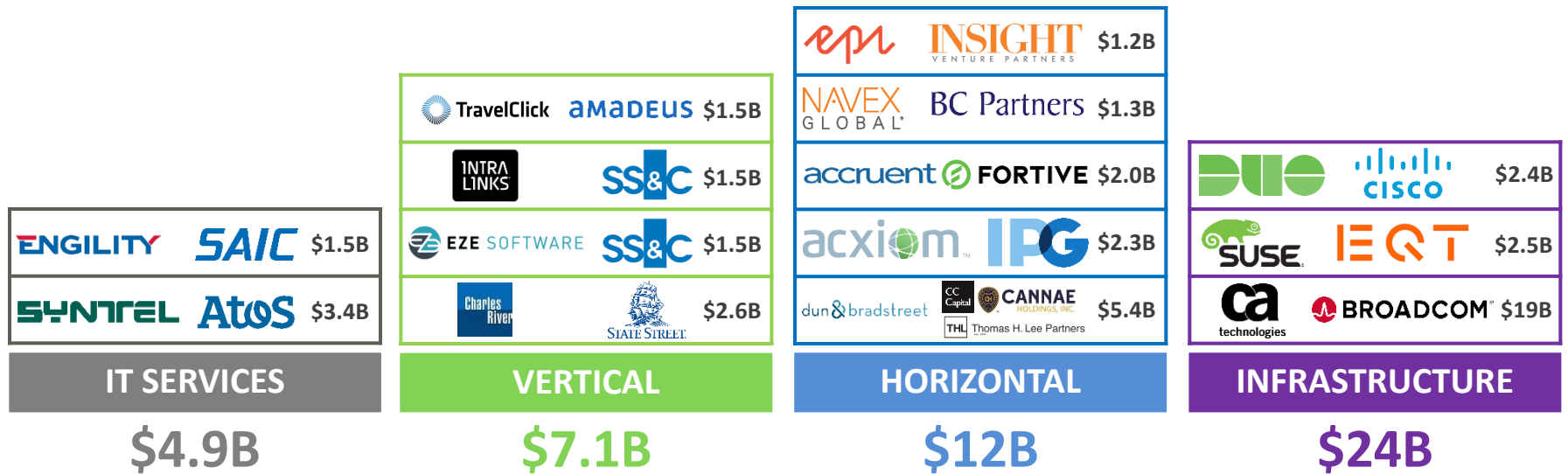


CORUM

Corum Index: Analysis

- 2018 August volumes low; but July high, offsetting
 - Total deal count Q3 so far is 5% higher YoY
 - Many Sept megadeals already; brings Q3 to 2017 level
- From Corum's vantage point:
 - August closings delayed or not disclosed
 - Approaches continuing at high pace
 - Buyer needs still urgent amid tech market changes
 - Sellers hesitant, risk exit timing by chasing growth
- Conclusion: supply-limited seller's market still

Q3 2018: Megadeals to Date



Q3 2018: Megadeals to Date



TravelClick

Sold to

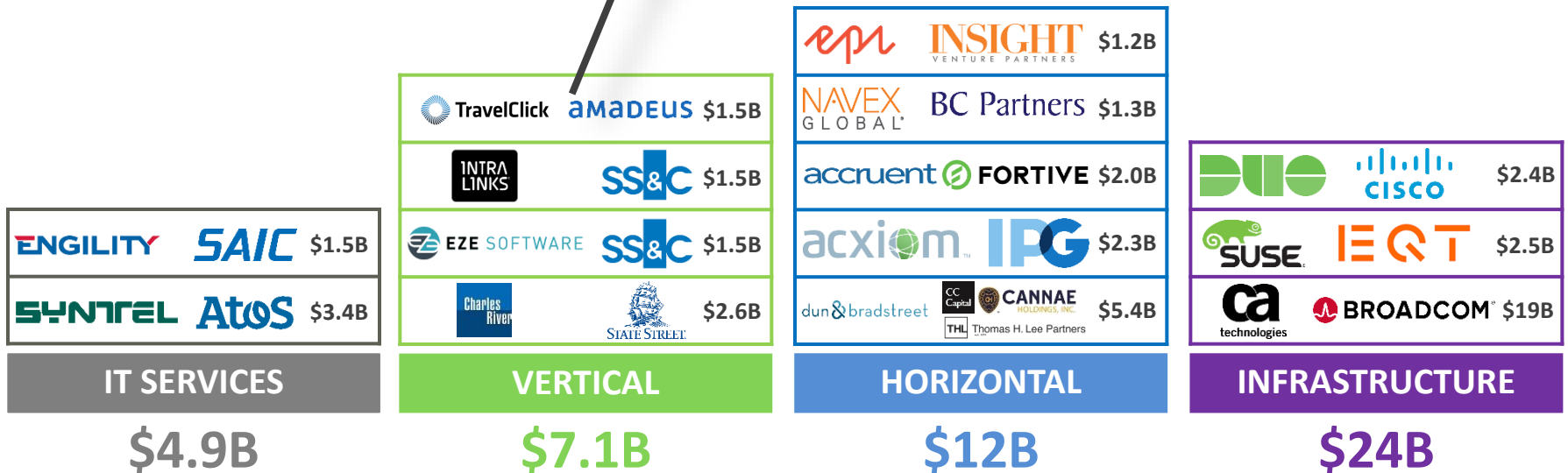
AMADEUS

Target: TravelClick [Thoma Bravo] [USA]

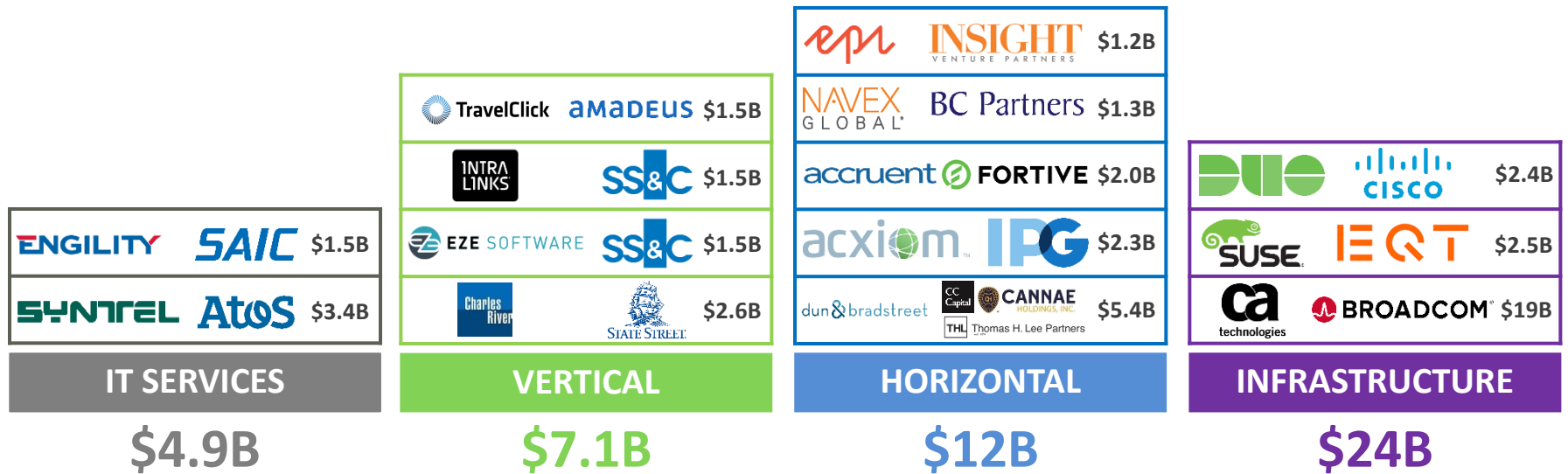
Acquirer: Amadeus IT Group [Spain]

Transaction Value: \$1.5B (4.1x EV/Sales and 17.7x EBITDA)

- Cloud-based software solutions for hoteliers
- Accelerates Amadeus' expansion in hospitality sector



Q3 2018: Megadeals to Date





Internet Market

Public Valuation Multiples

Since Q2

Aug. 2018

Corum Analysis



4.6x

Climbing back towards early year numbers...



18.8x

...while EBITDA metrics dropped down, again reflecting business model uncertainties, as in Q1.



Internet Market

Deal Spotlights: Travel

Sold to

Target: Gagfare [Hong Kong]

Acquirer: Sharing Economy International [Hong Kong]

Transaction Value: \$3.6M

- Online platform for searching and booking flights

Sold to

Target: Tropo [ProSiebenSat.1 Media] [Germany]

Acquirer: dnata [Emirates Group] [UAE]

- Online booking for flights, hotels, car hire

Sold to

Target: PrivateFly [USA]

Acquirer: OneSky [Directional Aviation] [USA]

- Online private flight booking service



Internet Market

Deal Spotlights: Food Delivery



Sold to



Target: 10bis.co.il [Israel]

Acquirer: Takeaway.com [Netherlands]

Transaction Value: \$157.3M (10.2x EV/Sales and 23.7 EV/EBITDA)

- Online and mobile food ordering services



Sold to



Target: looloo [Philippines]

Acquirer: BigDish Ventures [Philippines]

- Platform to discover restaurants, hotels, and travel destinations



Sold to



Target: PedidosYa [Delivery Hero] [Uruguay]

Acquirer: iFood [Brazil]

- Online and mobile food-ordering platform



Internet Market

Deal Spotlights: Ticketing



Target: Rukkus [USA]

Acquirer: TickPick [USA]

- Live entertainment search engine that explores ticket sites



Target: Picatic [Canada]

Acquirer: Eventbrite [USA]

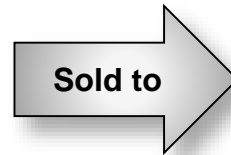
- Crowd-funding platform for event ticket sales



Internet Market

Deal Spotlight: E-commerce

SERVIZ



Porch

Target: Serviz [USA]

Acquirer: Porch.com [USA]

- Online platform for booking home repair and maintenance services
- Enables Porch to deliver services via mobile app
- Follows recent buys of Porch in home services, including Done.com

Consumer Application Software Market

Public Valuation Multiples

Since Q2

Aug. 2018

Corum Analysis

EV
Sales



3.1x

Leveled out after sliding since Q1, before reaching 2017 lows...

EV
EBITDA



17.4x

...with EBITDA-based performance continuing to track tightly



Consumer Application Software Market

Deal Spotlights: Gaming



Target: PixOwl [USA]
Acquirer: Animoca Brands Corporation [Hong Kong]
Transaction Value: \$4.8M
- Mobile games developer



Target: Fuel Powered [USA]
Acquirer: Animoca Brands Corporation [Hong Kong]
- Multiplayer and live events for mobile games



The Chinese Room

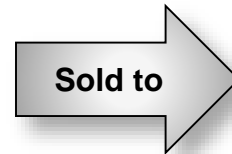


Target: The Chinese Room [United Kingdom]
Acquirer: Sumo Digital [United Kingdom]
Transaction Value: \$2.8M
- Exploration games development studio



Consumer Application Software Market

Deal Spotlight: Gaming



PEARLABYSS

Target: CCP Games [Iceland]

Acquirer: Pearl Abyss [South Korea]

Transaction Value: \$425M

- MMO videogames and development services
- Fuels growth of the *Black Desert Online* franchise
- Aligns with CCP's decision to switch from VR to mobile games



Consumer Application Software Market

Deal Spotlights: Personal Banking



Target: Walnut [India]
Acquirer: Capital Float [India]
Transaction Value: \$30M
- Software for managing finances



Target: Tapzo [India]
Acquirer: Amazon [USA]
Transaction Value: \$40M (reported)
- Platform to discover and transact on different apps



Target: Balance Technology [India]
Acquirer: Paytm [Alibaba] [China]
- Savings management app



IT Services Market

Public Valuation Multiples

Since Q2

Aug. 2018

Corum Analysis



Back to stability after blip in June...



...with EBITDA ratios following suit.



IT Services Market

Deal Spotlights: Salesforce SI



Sold to



Target: Amicus Digital Ventures [Australia]
Acquirer: Dentsu Aegis Network [United Kingdom]
- Salesforce Cloud consulting and technical services



Sold to



Target: SaaSfocus [India]
Acquirer: Cognizant [USA]
- Salesforce consulting, integration and customization



Sold to



Target: Figur8 Technology Ventures [USA]
Acquirer: AllCloud [Israel]
- Strategic consulting and Salesforce development



Sold to



Target: Canpango [USA]
Acquirer: ScanSource [USA]
- Salesforce implementation and consulting



IT Services Market

Deal Spotlights: Security Services

InfoNet

Sold to

CYBER1

Target: InfoNet [Turkey]

Acquirer: CYBER1 [USA]

Transaction Value: \$14M

- Cyber Security Services and products

MACB

MACAULAY-BROWN, INC.

Sold to

ALION

Target: MacAulay-Brown [USA]

Acquirer: Alion Science and Technology Corporation [Veritas Capital] [USA]

- Engineering and cybersecurity services



IT Services Market

Deal Spotlights: Accenture

mind
tribe



accenture

Target: Mindtribe [USA]

Acquirer: Accenture [USA]

- Mechanical and electrical hardware engineering

pillar



accenture

Target: Pillar Technology Group [NewSpring Holdings] [USA]

Acquirer: Accenture [USA]

- Information technology consulting services

Q3 2018: Megadeals to Date

ENGILITY



SAIC

Target: Engility Holdings [USA]

Acquirer: Science Applications International [aka SAIC] [USA]

Transaction Value: \$1.5B (1.3x EV/Sales and 13.7x EBITDA)

- Engineering and logistics services for government
- Continues the flurry of deal-making in government sector

ENGILITY	SAIC	\$1.5B
SYNTEL	Atos	\$3.4B

IT SERVICES

\$4.9B

TravelClick	AMADEUS	\$1.5B
INTRA LINKS	SS&C	\$1.5B
EZE SOFTWARE	SS&C	\$1.5B
Charles River	STATE STREET	\$2.6B

VERTICAL

\$7.1B

epr	INSIGHT VENTURE PARTNERS	\$1.2B	
NAVEX GLOBAL	BC Partners	\$1.3B	
accruent	FORTIVE	\$2.0B	
axiom	IPG	\$2.3B	
dun & bradstreet	CC Capital	CANNAE HOLDINGS, INC.	\$5.4B
	THL	Thomas H. Lee Partners	

HORIZONTAL

\$12B

Duo	CISCO	\$2.4B
SUSE	IEQT	\$2.5B
ca technologies	BROADCOM	\$19B

INFRASTRUCTURE

\$24B

Corum Research Report



Elon Gasper
EVP, Research



Amber Stoner
Director of Research



Amanda Tallman
Senior Analyst



Becky Hill
Research Analyst



When You Are Approached: 13 Tips to Ensure Deal Success

Moderator



Joel Espelien
Vice 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).

13 Tips for When You Are Approached

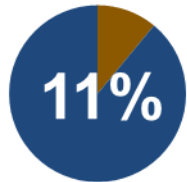


Bruce Milne
CEO
Corum Group Ltd.

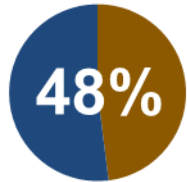
**Understand the
numbers**

Know your odds

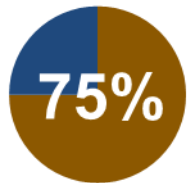
Tech M&A Guideline Percentages



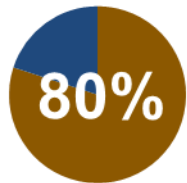
- Buyer solicitations that result in transaction



- Average improvement from first offer with an auction process



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



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



- Deals involving only one bidder that are suboptimal

13 Tips for When You Are Approached



Julius Telaranta
Vice President
Corum Group Ltd.

Protect Yourself

*Get an NDA &
nonsolicitation
agreement*

13 Tips for When You Are Approached



Qualify the Buyer

*Are they a
bottom feeder?*

Jon Scott
Managing Director
Corum Group International

13 Tips for When You Are Approached



Rob Schram
Senior Vice President
Corum Group Ltd.

Qualify the Buyer

*Can they do
the deal?*

13 Tips for When You Are Approached



Qualify the Buyer

What deals have they done?

Peter Prince
Vice President
Corum Group International

13 Tips for When You Are Approached



Steve Jones
Senior Vice President
Corum Group Ltd.

#6

**Examine the
landscape**

*Are there other buyers
willing to pay more?*

13 Tips for When You Are Approached



Rob Griggs
Vice President
Corum Group Ltd.

Are they serious?

*Get a due-diligence
checklist*

13 Tips for When You Are Approached



Martin Lowrie
Vice President
Corum Group Ltd.

Prepare your numbers

*Build three year
financials & projections*

13 Tips for When You Are Approached



David Levine
Senior Vice President
Corum Group Ltd.

**Build out your
assumptions**

Are they credible?

13 Tips for When You Are Approached



Dan Bernstein
Senior Vice President
Corum Group Ltd.

**Buy time with a
valuation**

***Cover your fiduciary
responsibility***

13 Tips for When You Are Approached



Jim Perkins
Executive Vice President
Corum Group Ltd.

**Make discreet inquiries
to other suitors**

***Must be at the highest
level***

13 Tips for When You Are Approached

**Under no circumstances
have only one bidder**

One buyer is no buyer



Ivan Ruzic
Vice President
Corum Group Ltd.

13 Tips for When You Are Approached



Joel Espelien
Vice President
Corum Group Ltd.

Get Some Help

*Don't take this
journey alone*

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.”

Sep. 13: **Phoenix** – MB

Sep. 13: **Omaha** – MB

Sep. 13: **Lincoln** – MB

Sep. 20: **Chicago** – SUSO

Sep. 25: **Hamburg** – MB

Sep. 25: **Sao Paulo** – MB

Sep. 17: **San Francisco** – MB

Oct. 02: **Stockholm** – SUSO

Oct. 02: **Toulouse** – MB

Oct. 03: **Helsinki** – SUSO

Oct. 04: **Tallinn** – MB

Oct. 04: **Lyon** – MB

Oct. 04: **Santa Barbara** – SUSO

Oct. 11: **Grenoble** – MB

Oct. 16: **Geneva** – MB

Oct. 17: **Amsterdam** – SUSO

www.CorumGroup.com/Events

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