



# Tech M&A Monthly

## Seller's Panel

March 8, 2017

# 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
- Growth & Exit Strategies: San Francisco
- Market Fundamentals
- March 2018 Research Report
- 2018 Seller's Panel
- Q&A

# WFS – “Growth & Exit Strategies” San Francisco, Feb. 22



Marc O'Brien  
Vice President  
Corum Group Ltd.

Marc has over 30 years of experience with both large and startup software companies focusing on SaaS, enterprise and digital markets, including as the founder and CEO of two firms that he led to successful acquisitions. He has been an executive managing companies in North America, Europe and Asia Pacific.

Marc was the founder/CEO of WebProject, the first team collaboration internet company with the backing of Cisco and Sun Microsystems. He then led the successful sale of the company to Novient Inc. He subsequently was the founder/CEO of Projity, the leading SaaS project management solution. Marc led the successful acquisition of the company to Serena Software.

Marc joined content management powerhouse Acquia as Vice President and General Manager, helping lead Acquia to tremendous growth and raising over \$194 million in venture funding with positioning for a future IPO. He is also Chairman of the Board of ProjectLibre Inc, an open source alternative to Microsoft Project with over three million downloads in over 200 countries.

He graduated from Clarkson University with a B.S. in Engineering & Management.

# WFS – “Growth & Exit Strategies” San Francisco, Feb. 22

**WFS** EDUCATING  
TECHNOLOGY  
LEADERS



CORUM

# Market Fundamentals



Bruce Milne  
CEO  
Corum Group Ltd.

A leader in the software industry, Bruce has founded or owned four software companies, including the largest vertical market software company, AMI, an Inc. 500 firm rated by IDC as the fastest growing computer-related company in the world.

He has served on advisory boards for Microsoft, IBM, DEC, Comdex and Apple, and as 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, and founder of the WTIA, the nation's most active regional technology trade association.

He worked with the Canadian government to found SoftWorld, and he was recently chosen as one of the 200 most influential individuals in the IT community in Europe. He was also the only American juror for the recent Tornado 100 Awards given to Europe's top technology firms

A graduate with Distinction from Harvard Business School, Bruce has written three books on business models for success, including *Power Planning*. He is a frequent lecturer and author.

# Market Fundamentals: Energy

≡ FORTUNE

The U.S. Is on the Threshold of the Biggest Oil and Gas Boom...



ENERGY • OIL AND GAS

## The U.S. Is on the Threshold of the Biggest Oil and Gas Boom Ever



# Market Fundamentals: Construction



REUTERS

BUSINESS NEWS MARCH 4, 2018 / 12:06 PM / 2 DAYS AGO

## Homebuilder shares look attractive as housing rebounds: Barron's





# Market Fundamentals: Transportation

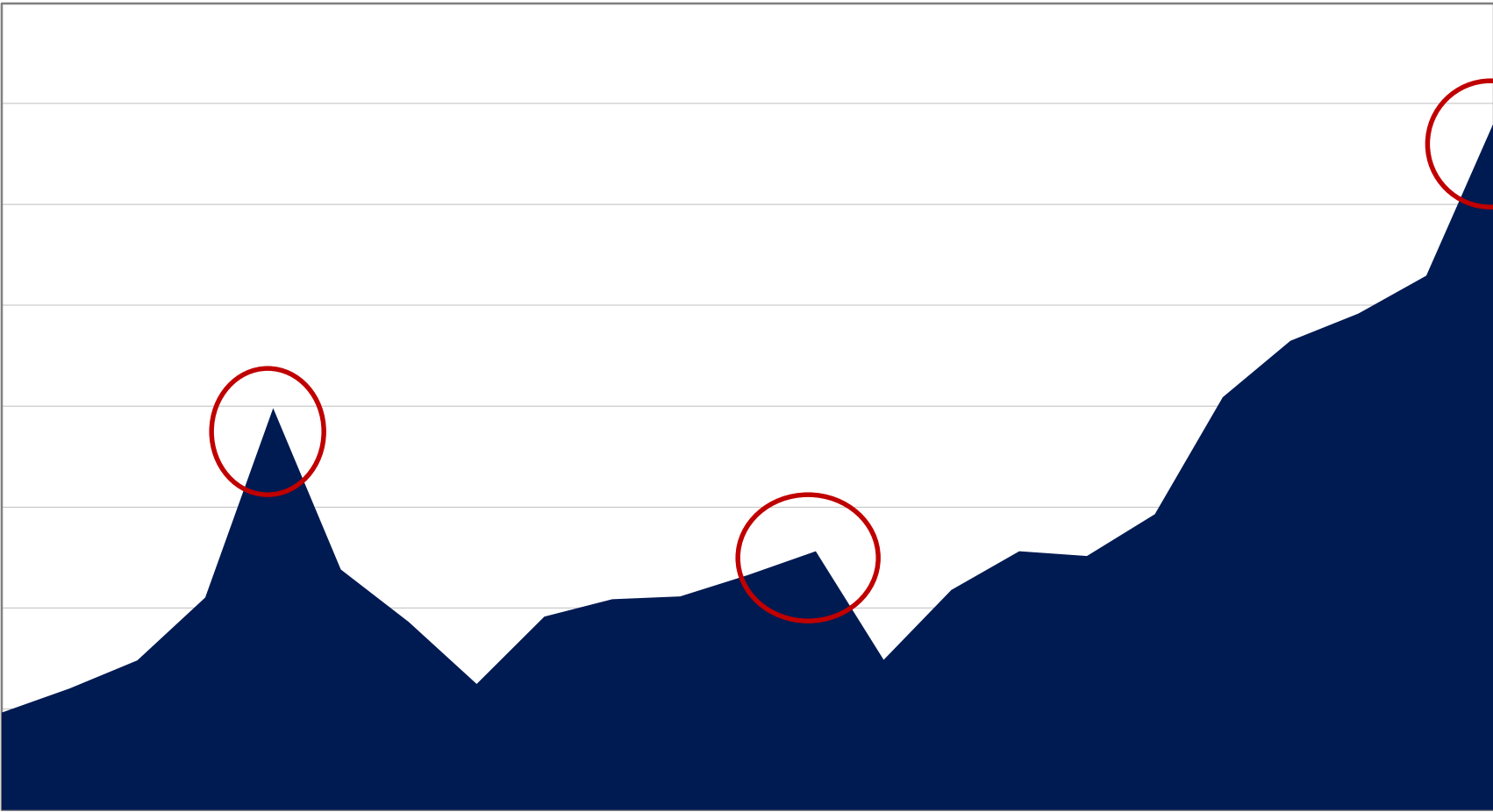


BUSINESS NEWS MARCH 4, 2018 / 11:20 AM / 2 DAYS AGO

## North American February semi-truck orders soar 76 percent: analyst



# M&A Follows Cycles



1995

2000

2005

2010

2015

# Corum Research Report



**Amber Stoner**  
Director of Research



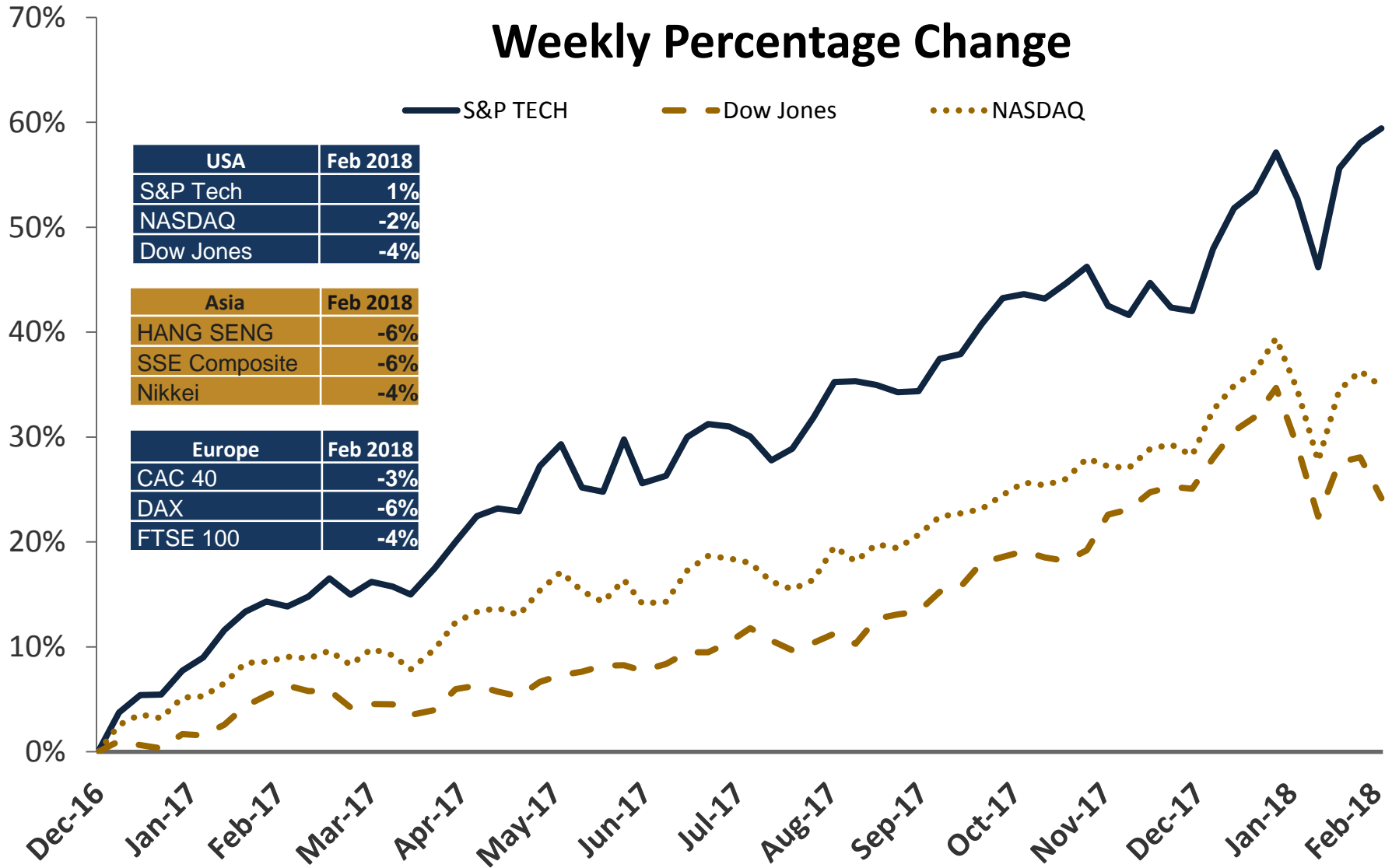
**Yasmin Khodamoradi**  
Director, Valuation Services



**Becky Hill**  
Analyst

# Public Markets

## Weekly Percentage Change



# Corum Index

## Market

Transactions

Feb. 2017

241

Feb. 2018

240



Mega Deals

5

6

20%

Largest Deal

\$4.3B

\$6.8B

58%

## Pipeline

Private Equity  
Platform Deals

Feb. 2017

23

Feb. 2018

21

8.7%

VC Backed Exits

42

40

4.8%

## Attributes

Cross Border  
Transactions

Feb. 2017

45%

Feb. 2018

43%



Start-Up  
Acquisitions

10%

12%



Average Life  
of Target

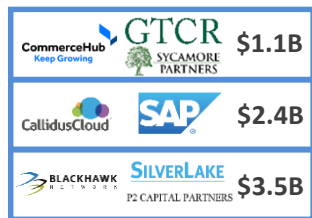
16 yrs

16 yrs



CORUM

# 2018 Mega Deals – YTD



**VERTICAL**

**HORIZONTAL**

**INFRASTRUCTURE**

**IT SERVICES**

**INTERNET**

**\$5.1B**

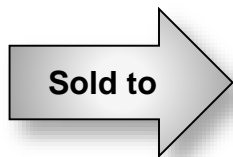
**\$7B**

**\$7.2B**

**\$12B**

**\$20B**  
CORUM

# 2018 Mega Deals – YTD



**Target:** Fidessa Group [United Kingdom]

**Acquirer:** Temenos Group [Switzerland]

**Transaction Value:** \$2B (3.8x EV/Sales and 21.5x EV/EBITDA)

- Buy- and sell-side, multi-asset financial trading SaaS

ABILITY	inovalon	\$1.2B
flatiron	Roche	\$1.9B
Fidessa	TEMENOS	\$2.0B

**VERTICAL**

**\$5.1B**

CommerceHub	GTCR	\$1.1B
CallidusCloud	SAP	\$2.4B
BLACKHAWK	SILVERLAKE	\$3.5B

**HORIZONTAL**

**\$7B**

AVIGILON	MOTOROLA SOLUTIONS	\$1.0B
xerox	FUJIFILM	\$6.2B

**INFRASTRUCTURE**

**\$7.2B**

DST	SS&C	\$5.1B
CSRA	GENERAL DYNAMICS	\$6.8B

**IT SERVICES**

**\$12B**

NET-A-PORTER	YOOX	\$3.4B
THOMSON REUTERS	Financial Markets Business	\$17B

**INTERNET**

**\$20B**  
CORUM



# IT Services Software Market

## Public Valuation Multiples

Since Q4

Feb. 2017

Corum Analysis

EV  
Sales

1.3x

*Stable despite  
tumultuous public  
markets...*

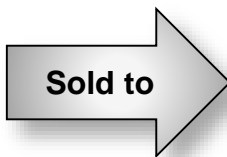
EV  
EBITDA

12.3x

*...with EBITDA  
metrics remaining in  
the same range for  
the last eight months*



# 2018 Mega Deals – YTD



**Target:** CSRA [USA]

**Acquirer:** General Dynamics [USA]

**Transaction Value:** \$6.8B (1.9x EV/Sales and 11.5x EV/EBITDA)

- Security integration, analytics, support and consulting services for government

ABILITY	inovalon	\$1.2B
flatiron	Roche	\$1.9B
Fidessa	TEMENOS	\$2.0B

**VERTICAL**

**\$5.1B**

CommerceHub	GTCR	\$1.1B
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**HORIZONTAL**

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**INTERNET**

**\$20B**  
CORUM





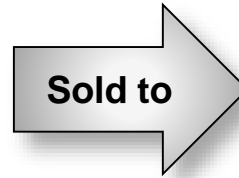
# IT Services Software Market

## Deal Spotlight: Government Systems Integrators

Since Q4

Feb. 2017

Corum Analysis



**Target:** ECS Federal [USA]  
**Acquirer:** On Assignment [USA]  
**Transaction Value:** \$775M

- Systems integration services for the US Department of Defense
- On Assignment expands into the government services contracting space



# IT Services Software Market

## Deal Spotlights: Open Source SI and Software Development



Solinea

Sold to



**Target:** Solinea [USA]  
**Acquirer:** Unitas Global [USA]

- Open source solutions for deployment and adoption of production clouds



CREATIONLINE, INC.  
PLANNING, PROPOSAL, CREATION, AND SOLUTIONS

Sold to

**DENSO**

**Target:** CREATIONLINE [Japan]  
**Acquirer:** DENSO [Japan]

- Systems integration and consultation services for cloud infrastructure



# IT Services Software Market

## Deal Spotlights: HR Technology Services



**Target:** Polaris Global Mobility [USA]  
**Acquirer:** Move Guides [UK]

- Outsourced employee mobility management services and administration solutions



**Target:** Thomas International [UK]  
**Acquirer:** Palamon Capital Partners [UK]

- Psychometric employee assessment services



# Vertical Application Software Market

## Public Valuation Multiples

Since Q4

Feb. 2018

Corum Analysis



**4.8x**

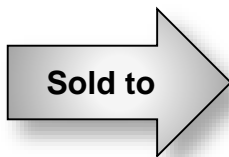
*Dipped after a record-setting spike at the end of 2017 – but only back to November levels...*



**19.7x**

*...with EBITDA metrics remaining near record highs*

# 2018 Mega Deals – YTD



**Target:** Flatiron Health [USA]

**Acquirer:** Roche Holding [Switzerland]

**Transaction Value:** \$1.9B

- Patient analytics SaaS for oncology healthcare institutions

ABILITY	inovalon	\$1.2B
flatiron	Roche	\$1.9B
Fidessa	TEMENOS	\$2.0B

**VERTICAL**

**\$5.1B**

CommerceHub	GTCR	\$1.1B
CallidusCloud	SAP	\$2.4B
BLACKHAWK	SILVERLAKE	\$3.5B

**HORIZONTAL**

**\$7B**

AVIGILON	MOTOROLA SOLUTIONS	\$1.0B
xerox	FUJIFILM	\$6.2B

**INFRASTRUCTURE**

**\$7.2B**

DST	SS&C	\$5.1B
CSRA	GENERAL DYNAMICS	\$6.8B

**IT SERVICES**

**\$12B**

NET-A-PORTER	YOOX	\$3.4B
THOMSON REUTERS	Financial Markets Business	\$17B

**INTERNET**

**\$20B**  
CORUM



# Vertical Application Software Market

## Deal Spotlight: Oncology Care Management

Since Q4

Feb. 2018

Corum Analysis

EV

Sa



Sold to



Record-  
the end  
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**Target:** Evinance Innovation [Canada]

**Acquirer:** Varian Medical Systems [USA]

- Cloud-based platform of healthcare recommendations
- Expands the capabilities of 360 Oncology care management platform

EV

EBITDA

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# Vertical Application Software Market

## Deal Spotlights: Healthcare

Since Q4

Feb. 2018

Corum Analysis

EV

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Sold to



**Target:** Provata Health [USA]

**Acquirer:** StayWell Custom Communications [USA]

- Employee preventative health platform

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only back  
levels...

EV

EBI



Sold to



**Target:** BMS Practice Solutions [USA]

**Acquirer:** WebPT [USA]

- Physical therapy revenue cycle management solutions

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# Vertical Application Software Market

## Deal Spotlights: Gym Management

FI+ME+RIX

Sold to



**Target:** FitMetrix [USA]  
**Acquirer:** MINDBODY [USA]  
- Gym performance tracking solutions

EV



Sold to



**Target:** Club Automation [USA]  
**Acquirer:** Daxko [GI Partners] [USA]  
- Web-based fitness club management software



Sold to



**Target:** ClubReady [USA]  
**Acquirer:** Clubessential [Battery Ventures] [USA]  
- Client management software for the fitness and wellness industry

EV



Sold to



**Target:** Pike13 [USA]  
**Acquirer:** Jonas Club Software [Constellation Software] [USA]  
- Mobile-first client management software



# Vertical Application Software Market

## Deal Spotlights: Transportation Solutions



**Target:** STRATIM Systems [USA]  
**Acquirer:** KAR Auction Services [USA]  
- Mobility and fleet management software

EV

Sa



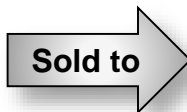
TransLōc®



**Target:** TransLoc [USA]  
**Acquirer:** Ford Motor Company [USA]  
- Demand-response SaaS for city-owned microtransit solutions

EV

EBI



**Target:** Autonomic [Belgium]  
**Acquirer:** Ford Motor Company [USA]  
- Vehicle connectivity platform

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but only back  
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# Vertical Application Software Market

## Deal Spotlight: Financial Compliance



Lombard Risk

Sold to

VERMEG

**Target:** Lombard Risk Management [United Kingdom]

**Acquirer:** Vermeg [Netherlands]

**Transaction Value:** \$71M

- Regulatory reporting and risk management software
- Adds regtech solutions for banks and buy-side firms to Vermeg's suite

EV

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Fraedom

Sold to

VISA

**Target:** Fraedom [United Kingdom]

**Acquirer:** Visa [USA]

**Transaction Value:** \$197M

- B2B transaction, spend, card and invoice management SaaS

EV

EBI

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# Consumer Software Market

## Public Valuation Multiples

Since Q4

Feb. 2017

Corum Analysis



**3.5x**

*Remains high after a market-driven pullback...*



**18.6x**

*...while EBITDA metrics continued their steady rise from a low in September*



# Consumer Software Market

## Deal Spotlights: Esports



**NODWIN GAMING**

Sold to



EV

**Target:** Nodwin Gaming [India]  
**Acquirer:** Nazara Technologies [India]

- Esports ecosystem of online and offline gaming



Sold to



EV

E

**Target:** Valiance [Germany]  
**Acquirer:** Kuuhubb [Finland]

- Mobile esports gaming platform



# Consumer Software Market

## Deal Spotlights: Betting



Sold to



**Target:** World of Sportsbetting [Malta]  
**Acquirer:** LeoVegas Group AB [Sweden]  
**Transaction Value:** \$3.2M

- Application for a sports betting

EV



Sold to



**Target:** CrownBet [Crown Resorts] [Australia]  
**Acquirer:** The Stars Group [Canada]  
**Transaction Value:** \$117.7M

- Sport and racing events online betting platform

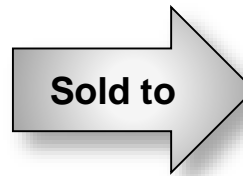
EV

E



# Consumer Software Market

## Deal Spotlight: Travel Assistant



**Target:** Mezi [USA]

**Acquirer:** American Express [USA]

- Personal travel assistant app to plan and book trips
- Mezi's tech already powers AskAmex, a personal concierge app for cardholders
- Amex joins companies in the corporate space using chat-based technology



# Consumer Software Market

## Deal Spotlights: Ridesharing



Sold to



EV

**Target:** Splitting Fares [dba SPLT] [USA]

**Acquirer:** Robert Bosch [Germany]

- Carpooling platform that allows employees to share their commute



Sold to



EV

**Target:** LUXI [South Korea]

**Acquirer:** Kakao Corp. [South Korea]

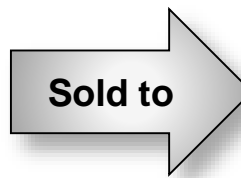
- Carsharing platform





# Horizontal Software Market

## Deal Spotlight: Mobile Payments



**Target:** Oltio [South Africa]

**Acquirer:** Mastercard [USA]

- Mobile banking and payment solutions
- Helps Mastercard to improve its digital cash economy solutions

EV

EV

# Corum Research Report



**Amber Stoner**  
Director of Research



**Yasmin Khodamoradi**  
Director, Valuation Services



**Becky Hill**  
Analyst

# 2018: SELLER'S PANEL



**CORUM**  
MERGERS & ACQUISITIONS

# Seller's Panel



**Juha Renfors**  
**CEO**  
**Visual Components**



**Beth Guarnieri**  
**Co-Founder**  
**Infian**



**Hal Guarnieri**  
**Co-Founder**  
**Infian**



**Wayne Steagall**  
**Founder**  
**Lending Manager**



# Seller's Panel: Juha Renfors



**Juha Renfors**  
**CEO**  
**Visual Components**



Juha Renfors has led Visual Components since 2007, bringing three decades of progressive business experience, including 15 years in mechatronics, robotics and simulation expertise to the company. Since becoming CEO, he has taken the company from a growing start-up to established product leader. Prior to joining Visual Components, Juha worked on the Deneb/Dassault IGRIP software and held positions at VTT, Delfoi Oy and RTS Finland. He holds a Master of Science in Mechatronics, Robotics and Automation Engineering.

# Juha Renfors, CEO



- Finnish software company
- Specializing in 3D simulation & factory planning
- Founded in 1999, regionally funded
- Goal: create a virtual version of the production line
- Customers included Foxconn, Samsung, Caterpillar and more
- By 2014, a clear tech edge and M&A overtures

# Juha Renfors, CEO



- Investigated many investment banks
- Attended Corum events
- Visited Corum HQ in Seattle
- Extensive preparation process
- Immediate interest from US, Europe, Asia
- Chose KUKA, a longtime partner
- Visual Components a core component of their robotics ecosystem

# Seller's Panel: Beth Guarnieri & Hal Guarnieri



**Beth Guarnieri**  
**Co-Founder**  
**Infian**



**Hal Guarnieri**  
**Co-Founder**  
**Infian**





# Seller's Panel: Wayne Steagall



**Wayne Steagall**  
**Founder**  
**Lending Manager**



# Seller's Panel



**Beth Guarnieri**  
**Co-Founder**  
**Infian**



**Hal Guarnieri**  
**Co-Founder**  
**Infian**



**Wayne Steagall**  
**Founder**  
**Lending Manager**



# 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.”

Mar. 13: **San Diego** – MB

Mar. 27: **Haifa** – MB

Mar. 15: **Seattle** – SUSO

Apr. 4: **Pittsburgh** – MB

Mar. 21: **Newcastle** – MB

Apr. 5: **Rochester** – MB

Mar. 21: **Houston** – SUSO

Apr. 10: **Nashville** – MB

Mar. 21: **Tel Aviv** – SUSO

Apr. 10: **Munich** – MB

Mar. 27: **Palo Alto** – MB

Apr. 12: **Charlotte** – MB

Mar. 27: **Cincinnati** – SUSO

Apr. 17: **Durham** – MB

[www.CorumGroup.com/Events](http://www.CorumGroup.com/Events)

CORUM

# After the Deal – Celebration





[www.corumgroup.com](http://www.corumgroup.com)