



Tech M&A Monthly

9 Practical Tips

for Presenting to Acquirers

August 10, 2017

Welcome



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.

Agenda

- Welcome
- Special Report: Langara Celebration
 - How is fishing like M&A?
- August 2017 Research Report
- 9 Practical Tips for M&A Presentations
- Q&A

Fishing Celebration 2017



Dennis & Tobias Gurock, Gurock Software



IDERA
has acquired

Corum acted as exclusive advisor to Gurock Software
CORUM
MERGERS & ACQUISITIONS

How is fishing like M&A?



Scott Barrows, ZeroHero



ticketmaster®

has acquired

ZeroHero

Corum acted as exclusive M&A advisor to ZeroHero

CORUM
MERGERS & ACQUISITIONS

Moe Arnaiz, eMOBUS



asentinel.
a portfolio company of

MARLIN EQUITY
PARTNERS

has acquired

eMOBUS

Corum acted as exclusive M&A advisor to eMOBUS

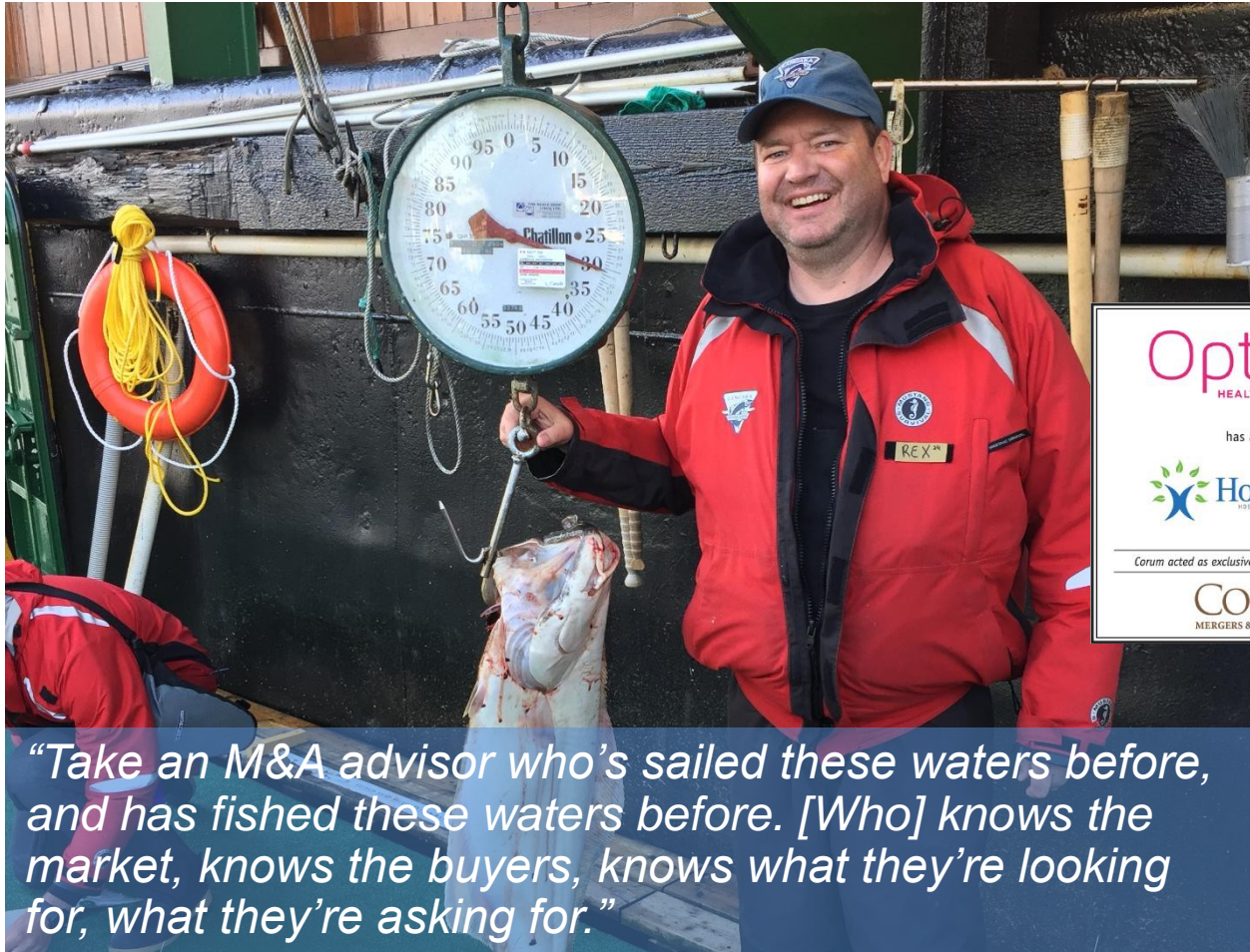
CORUM
MERGERS & ACQUISITIONS

Mike Schmalz, Digital Extremes



 LE YOU	 PERFECT WORLD
have acquired	
 DIGITAL EXTREMES	
<i>Corum initiated this transaction and acted as exclusive M&A advisor to Digital Extremes</i>	
CORUM MERGERS & ACQUISITIONS	

Rex Hale, Hospicesoft



Optima
HEALTHCARE SOLUTIONS

has acquired

Hospicesoft
HOSPICE MANAGEMENT SYSTEMS

Corum acted as exclusive M&A advisor to Hospicesoft

CORUM
MERGERS & ACQUISITIONS

Rex Hale, Hospicesoft



Join us next year!



Corum Research Report



Elon Gasper
EVP, Research

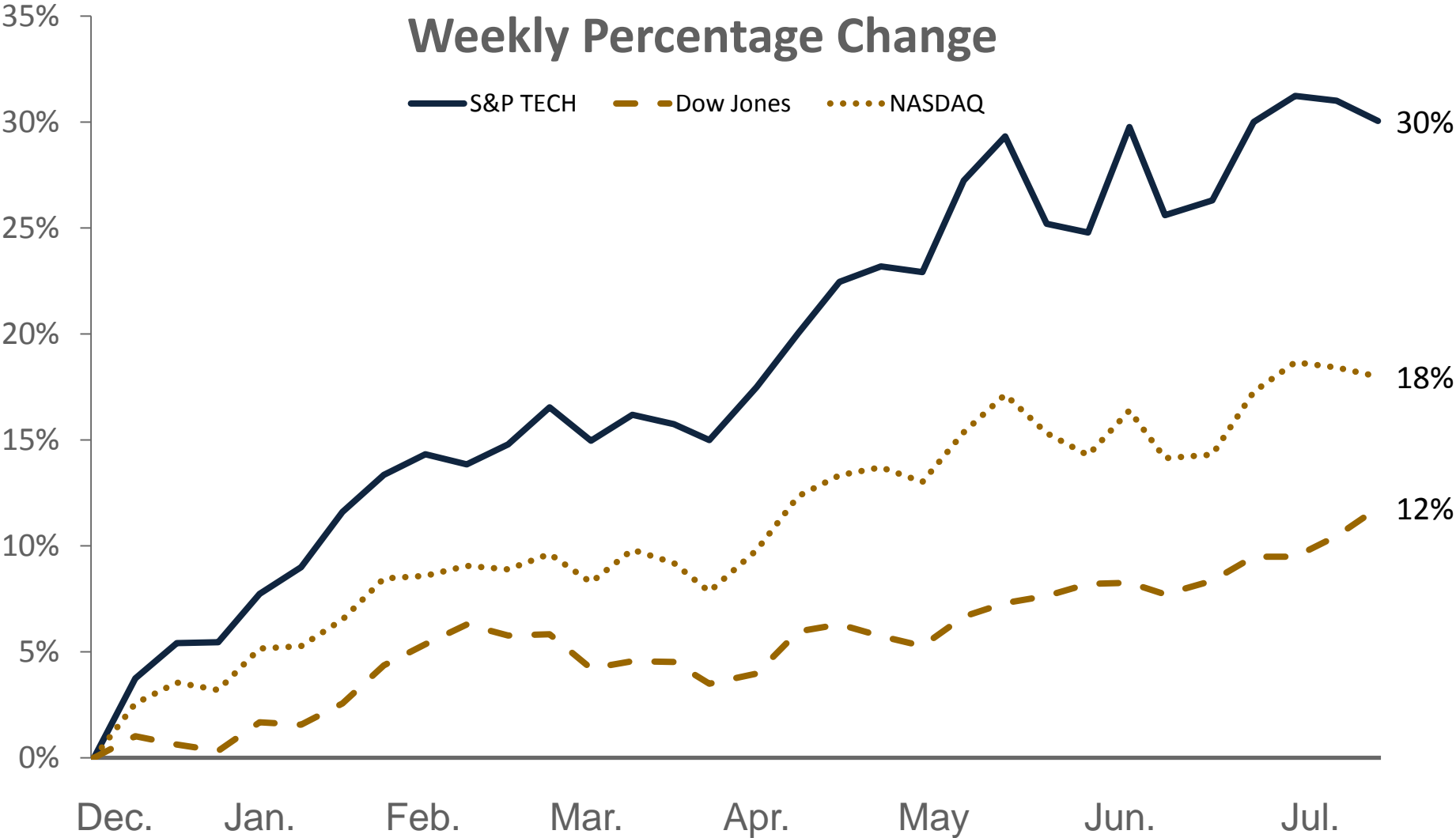


Yasmin Khodamoradi
Director, Valuation Services

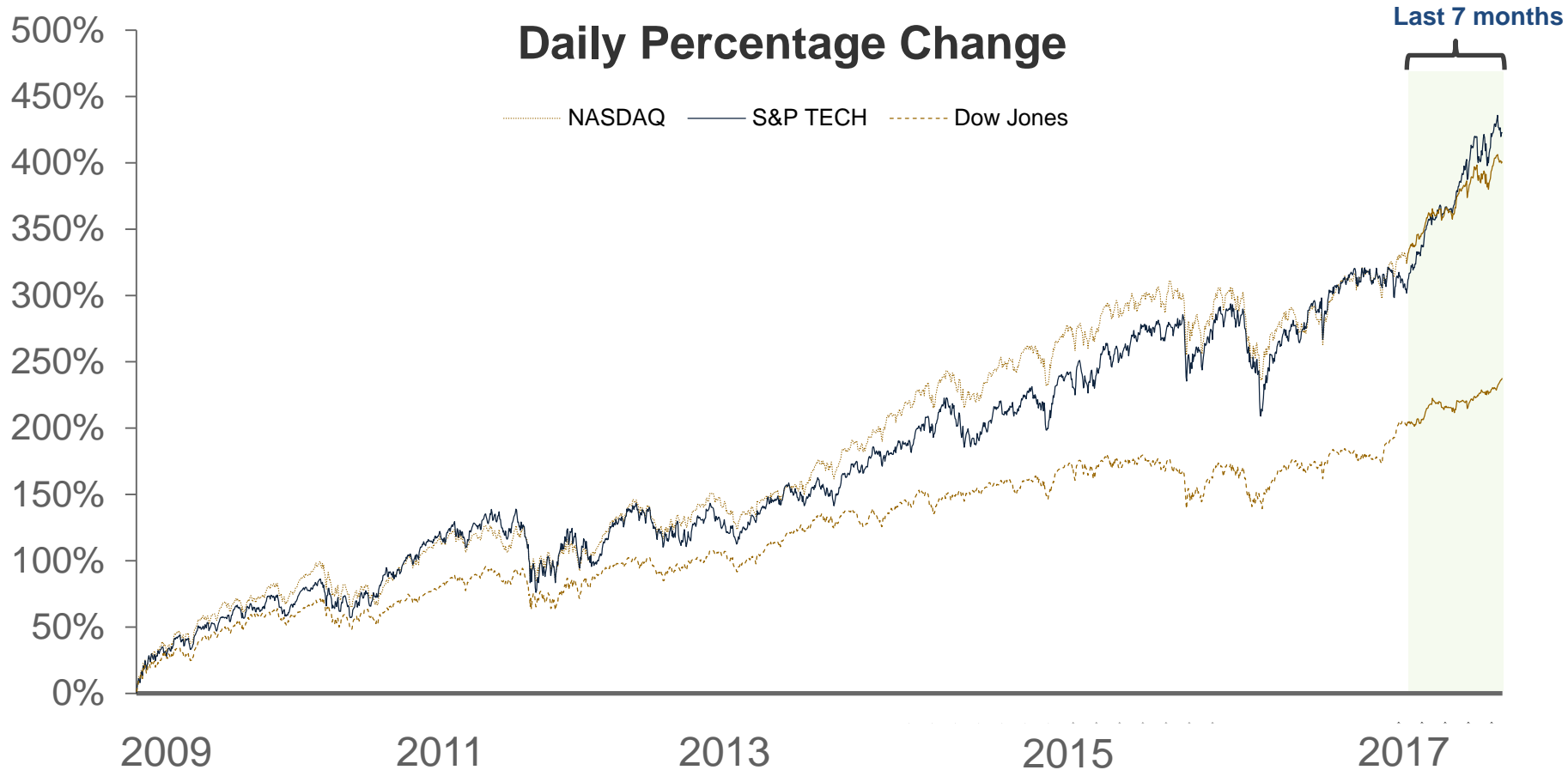
Public Markets

Weekly Percentage Change

S&P TECH Dow Jones NASDAQ



The Bull Market, 2009-Present



Corum Index

Market

Transactions

July 2016

315

July 2017

234

26%

Mega Deals

13

6

54%

Largest Deal

\$32B

\$7.1B

78%

Pipeline

Private Equity Deals

July 2016

21

July 2017

35

67%

VC Backed Exits

54

40

26%

Attributes

Cross Border Transactions

July 2016

40%

July 2017

43%

Start-Up Acquisitions

10%

10%

Average Life of Target

15 yrs

19 yrs

CORUM

2017 Mega Deals – YTD

	\$1.1B
	\$1.1B
	\$1.1B
	\$1.3B
	\$1.6B
	\$3.7B
INFRASTRUCTURE	
\$9.9B	

	\$2.0B
	\$2.6B
	\$2.8B
	\$4.3B
IT SERVICES	
\$11.7B	

	\$1.2B
	\$1.6B
	\$1.9B
	\$2.4B
	\$2.4B
	\$3.4B
INTERNET	
\$12.9B	

	\$1.4B
Enterprise software	
	\$1.7B
	\$10.4B
HORIZONTAL	
\$13.5B	

	\$1.1B
	\$1.2B
	\$1.3B
	\$1.4B
	\$2.0B
	\$2.3B
	\$2.8B
	\$15.3B
VERTICAL	
\$27.4B	

2017 Mega Deals – YTD

WebMD[®]



Internet Brands[®]

Target: WebMD Health [USA]

Acquirer: Internet Brands [USA]

Transaction Value: \$2.8B (3.9x EV/Sales and 16.4x EV/EBITDA)

- Web-based educational medical information for consumers and healthcare professionals

IDERA	HGGC	\$1.1B
nimble storage	Hewlett Packard Enterprise	\$1.1B
LANDESK	DELL	\$1.1B
syncsort	Centerbridge	\$1.3B
ixia	KEYSIGHT TECHNOLOGIES	\$1.6B
APPDYNAMICS	CISCO	\$3.7B
INFRASTRUCTURE		

\$9.9B

west	APOLLO	\$2.0B
CEB	Gartner	\$2.6B
Novitex	exela	\$2.8B
SourceHOV Tax		
AON	The Blackstone Group	\$4.3B
HR BPO assets		
IT SERVICES		

\$11.7B

Bankrate	RED VENTURES	\$1.2B
mibam	WALT DISNEY	\$1.6B
fundS BANK	HELLMAN & FRIEDMAN	\$1.9B
	GIC	
BUREAU VAN DIJK	MOODY'S	\$2.4B
DigitalGlobe	MDA	\$2.4B
chewy.com	PETSMART	\$3.4B
INTERNET		

\$12.9B

Lexmark	THOMA BRAVO	\$1.4B
Enterprise software		
bambora	ingenico GROUP	\$1.7B
worldpay	vantiv	\$10.4B
HORIZONTAL		

\$13.5B

covermymeds	MCKESSON	\$1.1B
ACTIVE network	global payments	\$1.2B
VERTIV	Schneider Electric	\$1.3B
CIVICA	Partners Group	\$1.4B
Private Equity Markets		
D+H	Vista Equity Partners	\$2.0B
Hitachi Kokusai Electric Inc.	KKR	\$2.3B
WebMD	Internet Brands	\$2.8B
MOBILEVE	intel	\$15.3B
VERTICAL		

\$27.4B

2017 Mega Deals – YTD

CIVICA



Partners Group
REALIZING POTENTIAL IN PRIVATE MARKETS

Target: Civica [UK]

Acquirer: Partners Group Holding [Switzerland]

Transaction Value: \$1.37B

- Business-critical software for the clients operating in highly regulated industries

IDERA	HGGC	\$1.1B
nimble storage	Hewlett Packard Enterprise	\$1.1B
LANDESK	DELL	\$1.1B
syncsort	Centerbridge	\$1.3B
ixia	KEYSIGHT TECHNOLOGIES	\$1.6B
APPDYNAMICS	CISCO	\$3.7B
INFRASTRUCTURE		

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SourceHOV	Tax	
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\$13.5B

covermyeds	MCKESSON	\$1.1B
ACTIVE network	global payments	\$1.2B
VERTIV	Schneider Electric	\$1.3B
CIVICA	Partners Group	\$1.4B
Transaction for Private Markets		
D+H	Vista Equity Partners	\$2.0B
Hitachi Kokusai Electric Inc.	KKR	\$2.3B
WebMD	Internet Brands	\$2.8B
MOBILEVE	intel	\$15.3B
VERTICAL		

\$27.4B



Horizontal Application Software Market

Public Valuation Multiples

Since Q2

July 2017

Corum Analysis

EV
Sales



4.4x

Holding steady after rising with the markets all year

EV
EBITDA



19.9x

Back near 2-year high set last quarter



Horizontal Application Software Market

Deal Spotlights: Human Capital Management



EV
S

Target: SwipeClock [USA]
Acquirer: Inverness Graham Investments [USA]
- Timekeeping and payroll management SaaS



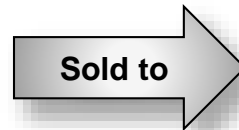
EV
EB

Target: Wisetail LMS [USA]
Acquirer: Alchemy Systems [USA]
- Employee training SaaS for restaurant, fitness and retail industries



Horizontal Application Software Market

Deal Spotlight: Enterprise Resource Planning



EV

Target: Intacct [USA]

Acquirer: Sage Group [United Kingdom]

Transaction Value: \$850M (9.7x EV/Sales)

- Accounting and financial management SaaS
- Largest ever acquisition made by Sage
- The third startup acquired by Sage this year
- Strengthens Sage's position in the US cloud-solutions market

EV

E



Horizontal Application Software Market

Deal Spotlights: Business Intelligence

Since Q2

July 2017

Corum Analysis

EV
S



Target: Kemvi [USA]

Acquirer: HubSpot [USA]

- AI-powered growth automation for B2B sales and marketing teams
- Brings AI and machine learning features as a competitive advantage to transform routine processes

EV
EB



Horizontal Application Software Market

Deal Spotlights: Ad Tech

 **rocketfuel**

Sold to

Sizmek[®]

Target: Rocket Fuel [USA]

Acquirer: Sizmek [Vector Capital] [USA]

Transaction Value: \$125M

- Media-buying platform developing AI to improve marketing ROI in digital media

EV

S

 **nToggle**[™]

Sold to

rubicon[®]
PROJECT

Target: nToggle [USA]

Acquirer: Rubicon Project [USA]

Transaction Value: \$38.5M

- RTB automation, monetization and analytics SaaS

EV

EE



Horizontal Application Software Market

Deal Spotlights: Mobile Marketing



EV
S

Target: Waterfall International [USA]
Acquirer: Upland Software [USA]
Transaction Value: \$25.9M (2.9x EV/Sales)
- Targeted mobile marketing automation SaaS



EV
EE

Target: Boomtrain [USA]
Acquirer: Zeta Interactive [USA]
- Customer analytics and marketing automation SaaS



Horizontal Application Software Market

Deal Spotlights: Supply Chain Management



EV
S

Target: Perfect Commerce [USA]

Acquirer: PROACTIS Holdings [United Kingdom]

Transaction Value: \$127.5M (19.8x EV/EBITDA)

- SCM SaaS for procurement, SRM, contract management and spend analysis



EV
EE

Target: TXT Retail [TXT e-solutions] [Italy]

Acquirer: Aptos [Apax Partners] [USA]

Transaction Value: \$99M

- Merchandise lifecycle management SaaS for the retail industry

2017 Mega Deals – YTD



Target: Worldpay [UK]
Acquirer: Vantiv [USA]
Transaction Value: \$10.4B

- Payment and credit transaction processing

IDERA	HGGC	\$1.1B
nimble storage	Hewlett Packard Enterprise	\$1.1B
LANDESK	DELL	\$1.1B
syncsort	Centerbridge	\$1.3B
ixia	KEYSIGHT TECHNOLOGIES	\$1.6B
APPDYNAMICS	CISCO	\$3.7B
INFRASTRUCTURE		

\$9.9B

west	APOLLO	\$2.0B
CEB	Gartner	\$2.6B
Novitex	exela	\$2.8B
SourceHOV	Tax	
AON	The Blackstone Group	\$4.3B
HR BPO assets		
IT SERVICES		

\$11.7B

Bankrate	RED VENTURES	\$1.2B
mibam	WALT DISNEY	\$1.6B
fundr	HELLMAN & FRIEDMAN	\$1.9B
BANK	GIC	
MOODY'S		\$2.4B
DigitalGlobe	MDA	\$2.4B
chewy.com	PETSMART	\$3.4B
INTERNET		

\$12.9B

Lexmark	THOMA BRAVO	\$1.4B
Enterprise software		
bambora	ingenico GROUP	\$1.7B
worldpay	vantiv	\$10.4B
HORIZONTAL		

\$13.5B

covermyeds	MCKESSON	\$1.1B
ACTIVE network	global payments	\$1.2B
VERTIV	Schneider Electric	\$1.3B
CIVICA	Partners Group	\$1.4B
D+H	Vista Equity Partners	\$2.0B
Hitachi Kokusai Electric Inc.	KKR	\$2.3B
WebMD	Internet Brands	\$2.8B
MOBILEVE	intel	\$15.3B
VERTICAL		

\$27.4B

2017 Mega Deals – YTD



Target: Bambora [Sweden]
Acquirer: Ingenico Group [France]
Transaction Value: \$1.7B (8.1x EV/Sales)

- Payments processing services which provide access to online and in-store segments of the end-to-end payment solutions market for SMBs

IDERA	HGGC	\$1.1B
nimble storage	Hewlett Packard Enterprise	\$1.1B
LANDESK	DELL TECHNOLOGICAL CAPITAL	\$1.1B
syncsort	Centerbridge	\$1.3B
ixia	KEYSIGHT TECHNOLOGIES	\$1.6B
APPDYNAMICS	CISCO	\$3.7B

INFRASTRUCTURE

\$9.9B

west	APOLLO	\$2.0B
CEB	Gartner	\$2.6B
Novitex	exela	\$2.8B
SourceHOV Tax	Technology Insight Innovation	
AON	The Blackstone Group	\$4.3B
HR BPO assets		

IT SERVICES

\$11.7B

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BUREAU VAN DIJK	GIC	
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VERTICAL

\$27.4B



Internet Market

Public Valuation Multiples

Since Q2

July 2017

Corum Analysis



Sales multiples steadily improving...



...with EBITDA rising to historic highs supported by Travel & Leisure and other consolidating segments

2017 Mega Deals – YTD

Bankrate®

Sold to

RED VENTURES

Target: Bankrate [USA]

Acquirer: Red Ventures [USA]

Transaction Value: \$1.24B (3x EV/Sales)

- Online financial interest rate and insurance policy comparison service
- Biggest acquisition of Red Ventures to date

IDERA	HGGC	\$1.1B
nimble storage	Hewlett Packard Enterprise	\$1.1B
LANDESK	DELL TECHNOLOGICAL	\$1.1B
syncsort	Centerbridge	\$1.3B
ixia	KEYSIGHT TECHNOLOGIES	\$1.6B
APPDYNAMICS	CISCO	\$3.7B
INFRASTRUCTURE		

\$9.9B

west	APOLLO	\$2.0B
CEB	Gartner	\$2.6B
Novitex	exela	\$2.8B
SourceHOV	Tax	
AON	The Blackstone Group	\$4.3B
HR BPO assets		
IT SERVICES		

\$11.7B

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mibam	WALT DISNEY	\$1.6B
fundS BANK	HELLMAN & FRIEDMAN	\$1.9B
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BUREAU VAN DIJK	MOODY'S	\$2.4B
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Hitachi Kokusai Electric Inc.	KKR	\$2.3B
WebMD	Internet Brands	\$2.8B
MOBILEVE	intel	\$15.3B
VERTICAL		

\$27.4B



Internet Application Software Market

Deal Spotlight: Content Management



Target: GKD Index Partners [dba Alerian] [USA]

Acquirer: ZZ Capital International Limited [aka ZZCI] [China]

Transaction Value: \$812M

- Online energy industry information, indices, market intelligence
- Shows the continued trend in outbound M&A deals by PRC companies



Internet Application Software Market

Deal Spotlights: Ticketing Services



Target: ExtremeTix [USA]
Acquirer: Etix.com [USA]
Transaction Value: \$16.5M

- Entertainment event ticket resale website and directory

EV

S



Target: TheaterMania.com [USA]
Acquirer: AudienceView Ticketing Corporation [RUBICON Technology Partners] [Canada]

- Online ticketing service through OvationTix SaaS

EV

EE

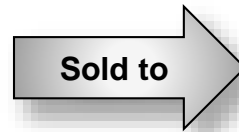


Target: Wasteland Entertainment [dba Insider.in] [India]
Acquirer: One97 Communications [dba Paytm] [Alibaba] [India]
- Online ticketing service for entertainment events and experiences



Internet Application Software Market

Deal Spotlight: Diversified Internet



EV

Target: Graphiq [USA]

Acquirer: Amazon.com [USA]

- Online search, reference content, data aggregation and visualization website
- Improves Amazon's Alexa virtual assistant, as the competition in the market heats up

EV

E



Internet Application Software Market

Deal Spotlight: Food Ordering



GRUBHUB

Target: Eat24.com [Yelp] [USA]

Acquirer: GrubHub [USA]

Transaction Value: \$287.5M

- Web-based food and delivery service
- Solidifies Grubhub's position as the largest food ordering platform in the US



Infrastructure Software Market

Public Valuation Multiples

Since Q2

July 2017

Corum Analysis

EV
Sales



3.5x

Holding within this year's range as this...

EV
EBITDA



15.0x

...continues to be one of the most stable sectors



Infrastructure Software Market

Deal Spotlights: Security



Target: Fireglass [Israel]
Acquirer: Symantec [USA]
Transaction Value: \$200M

- Anti-malware software via cloud-based containers or on-premise virtual appliances



Target: Skycure [USA]
Acquirer: Symantec [USA]
Transaction Value: \$250M

- Mobile security SaaS that builds a threat intelligence database



Infrastructure Software Market

Deal Spotlights: Security

Brighterion

Sold to



Target: Brighterion [USA]
Acquirer: Mastercard [USA]

- Provides AI and machine learning transaction and analytics security

EV

G2 Web Services

Sold to



Target: G2 Web Services [USA]
Acquirer: Verisk Analytics [USA]
Transaction Value: \$112M

- Merchant risk intelligence SaaS in the investment and financial industries

EV

EBITDA



Infrastructure Software Market

Deal Spotlights: Security

 **KOMAND**

Sold to

RAPID7

Target: Komand [USA]

Acquirer: Rapid7 [USA]

- Enterprise security automation and orchestration SaaS

EV



Sold to



Target: Observable Networks [USA]

Acquirer: Cisco Systems [USA]

- Endpoint security modeling SaaS to monitor multiple devices on enterprise networks

EV

2017 Mega Deals – YTD


Sold to



Target: BAMtech [USA]
Acquirer: Walt Disney [USA]
Transaction Value: \$1.58B

- Streaming video software & services

IDERA HGGC \$1.1B
nimble storage Hewlett Packard Enterprise \$1.1B
LANDESK \$1.1B
syncsort Centerbridge \$1.3B
ixia KEYSIGHT TECHNOLOGIES \$1.6B
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VERTICAL

\$27.4B

Corum Research Report



Elon Gasper
EVP, Research



Yasmin Khodamoradi
Director, Valuation Services

9 Practical Tips for Presenting to Acquirers

9 Practical Tips for Presenting to Acquirers



Peter Prince
Vice President
Corum Group Intl.

*Present crucial
material first*

9 Practical Tips for Presenting to Acquirers



Julius Telaaranta
Vice President
Corum Group Intl.

***Don't do highest-
value presentations
first***

9 Practical Tips for Presenting to Acquirers



Jeff Riley
Vice President
Corum Group Ltd.

*Limit participation to
critical team members*

9 Practical Tips for Presenting to Acquirers



Steve Jones
Vice President
Corum Group Ltd.

#4 *Don't give a
history lesson*

9 Practical Tips for Presenting to Acquirers



Rob Griggs
Vice President
Corum Group Ltd.

#5

*Map to your
Executive Summary*

9 Practical Tips for Presenting to Acquirers



Jim Perkins
Executive Vice President
Corum Group Ltd.

#6 ***Demonstrate
excitement for
the possibilities***

9 Practical Tips for Presenting to Acquirers



Ivan Ruzic, Ph.D.
Vice President
Corum Group Ltd.

#7 ***Be prepared to
answer questions***

9 Practical Tips for Presenting to Acquirers



Rob Schram
Senior Vice President
Corum Group Ltd.

*Listen for, and
respond to, specific
buyer needs*

9 Practical Tips for Presenting to Acquirers



Allan Wilson
Vice President
Corum Group Ltd.

#9
Never stop selling

Q&A

- We welcome your questions!
 - Use Q&A tab at the bottom of screen
 - Submit to queue at any time

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.”

Aug. 22: **Reno** – MB

Sep. 19: **Austin** – MB

Aug. 23: **Albuquerque** – MB

Sep. 20: **Costa Mesa** – MB

Aug. 24: **Gold Coast** – MB

Sep. 21: **San Diego** – SUSO

Sep. 7: **Seattle** – SUSO

Sep. 27: **London** – MB

Sep. 12: **Chicago** – SUSO

Sep. 28: **Dublin** – MB

Sep. 14: **Indianapolis** – MB

Oct. 3: **Kansas City** – SUSO

After the Deal – Celebration





www.corumgroup.com