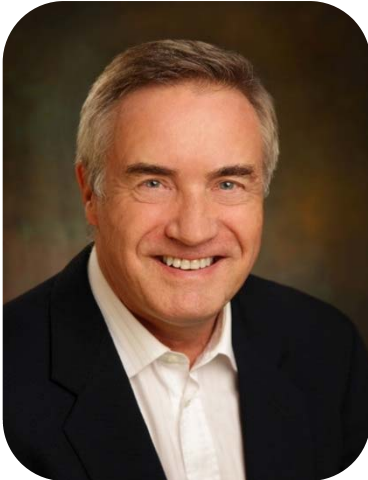




# Tech M&A Monthly Seller's Panel

March 9, 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 Reports
  - RSA Security Conference
  - Game Developers Conference
  - HIMSS Health IT Conference
  - Mobile World Congress
- March 2017 Research Report
- Seller's Panel
  - Dennis Gurock: co-founder of Gurock Software, acquired by Idera
  - Luc Pettett: founder & CEO of Punters.com.au, acquired by News Corp

# Special Report: RSA Security Conference



**Daniel Bernstein**  
Vice President  
Corum Group Ltd.



Daniel Bernstein has worked in a number of roles over a twenty year career in high technology, most recently as the founder and CEO of Sandlot Games Corporation, a leading casual games publisher and developer. Having sold Sandlot Games to Digital Chocolate in 2011, Daniel started a small games studio and a consulting practice where he advises larger companies such as RealNetworks and smaller high growth businesses on product development, strategic initiatives, and M&A opportunities.

Prior to Sandlot Games, Daniel Bernstein held director level positions in companies such as Wild Tangent and Monolith. An accomplished composer, Daniel also writes music for most of the games he works on.

Daniel holds a BS in Computer Science and an MA in Music Composition from the University of Virginia.

# Special Report: Games Developers Conference

# GDC



Jim Perkins  
Executive Vice President  
Corum Group, Ltd.



Entertainment software entrepreneur Jim Perkins is directly responsible for publishing some of the industry's biggest franchises, including Unreal, Duke Nukem, Wolfenstein, Doom, Hunting Unlimited, and Driver. A well-known senior executive with a 22-year track record of publishing such bestselling hits, he founded and grew two highly successful software publishing companies (FormGen and ARUSH) from start-ups to multi-million dollar enterprises.

Jim also launched Radar Group, the first Transmedia Incubation Company to monetize entertainment franchises across all media, including film and television. His success and extensive experience in software production, marketing and public relations, packaging, online and retail distribution and software M&A, uniquely qualify him as an expert in building value and realizing wealth. Jim 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 digital media companies.

CORUM

# Special Report: HIMSS Health IT Conference



David Levine  
Vice President  
Corum Group Ltd.

HIMSS<sup>®</sup>17



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 twenty-five 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 public and private companies including one company that recently filed for an IPO.

Dave holds a business degree from the Indiana University, Kelley School of Business.

CORUM

# Special Report: Mobile World Congress



Nina Seghatoleslami  
Vice President, Client Services  
Corum Group Intl.



Nina joined Corum Group International in 2014 as an Associate based out of Barcelona office. Nina's role is in direct support of Corum's international transaction team, with a focus on European and Latin American clients.

Prior to joining the firm, Nina worked as an Investment Associate at Faraday Venture Partners where she was responsible for screening and analyzing investment opportunities in Startups and performing due diligence. Before her time at Faraday, she worked at SAP in Montreal as Software Engineer and Team Lead.

Nina received her MBA from IESE Business School in Barcelona in 2012 and holds a bachelor's degree in Software Engineering from La Salle – Ramon Llull University in Barcelona.

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# Corum Research Report



**Amber Stoner**  
Director of Research

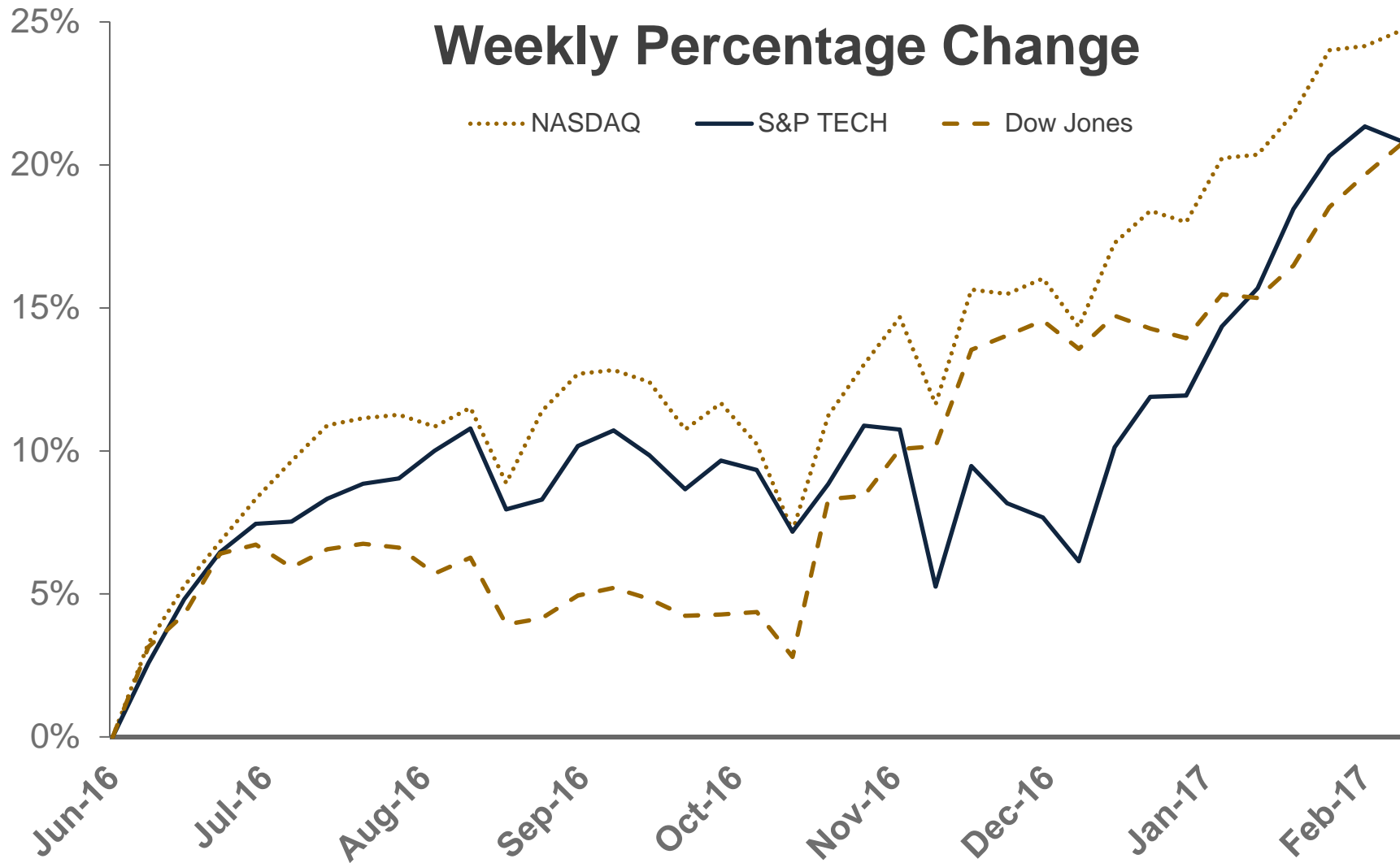


**Yasmin Khodamoradi**  
Director of Valuation Services

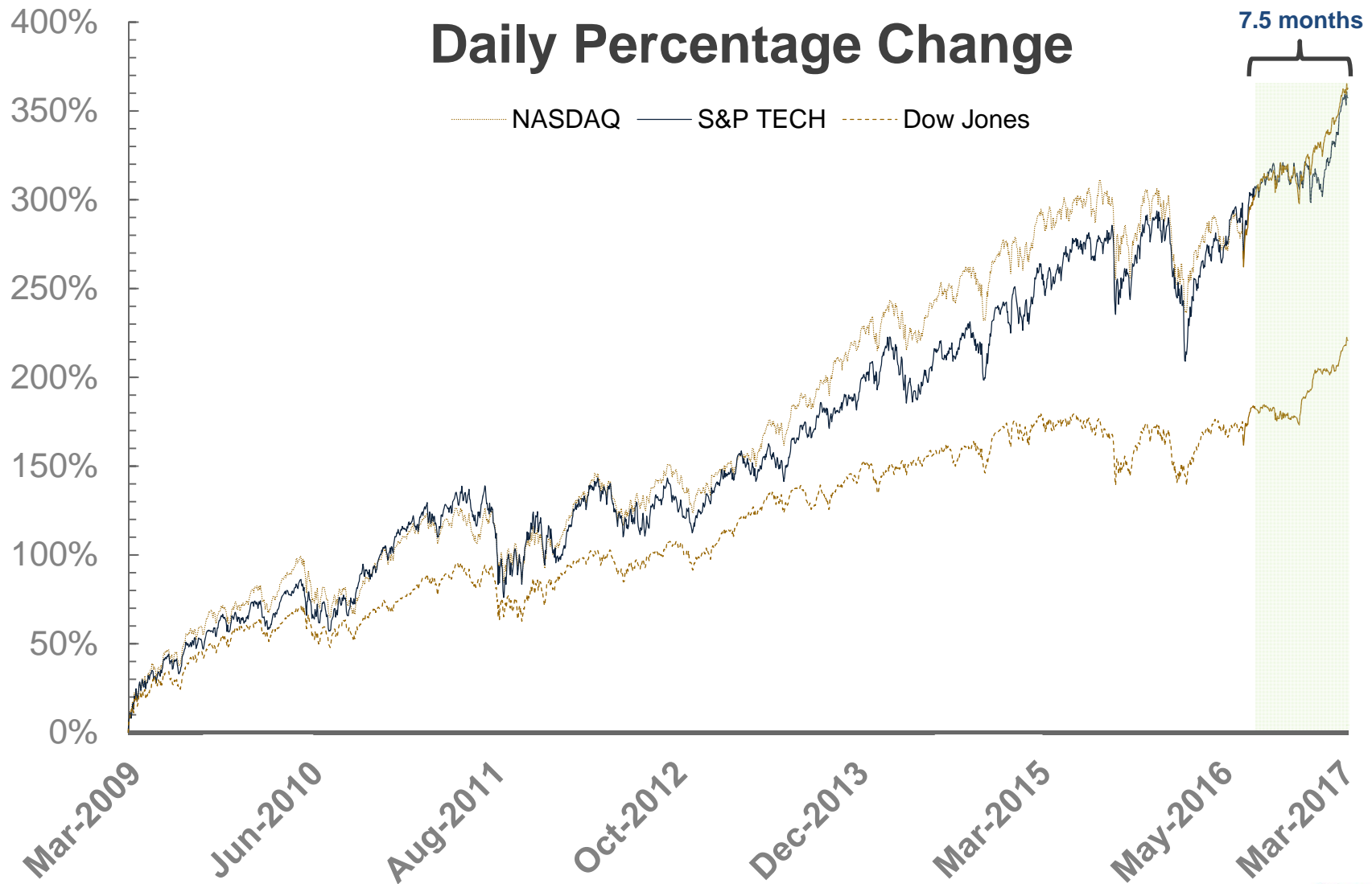


# Public Markets

## Weekly Percentage Change



# The Bull Market, 2009-Present



# Corum Index

## Market

Transactions

Feb. 2016

313

Feb. 2017

241

23%

Mega Deals

5

5

Largest Deal

\$7B

\$4.3B

39%

## Pipeline

Private Equity Deals

Feb. 2016

10

Feb. 2017

23

130%

VC Backed Exits

49

42

14%

## Attributes

Cross Border Transactions

Feb. 2016

33%

Feb. 2017

45%

Start-Up Acquisitions

11%

10%

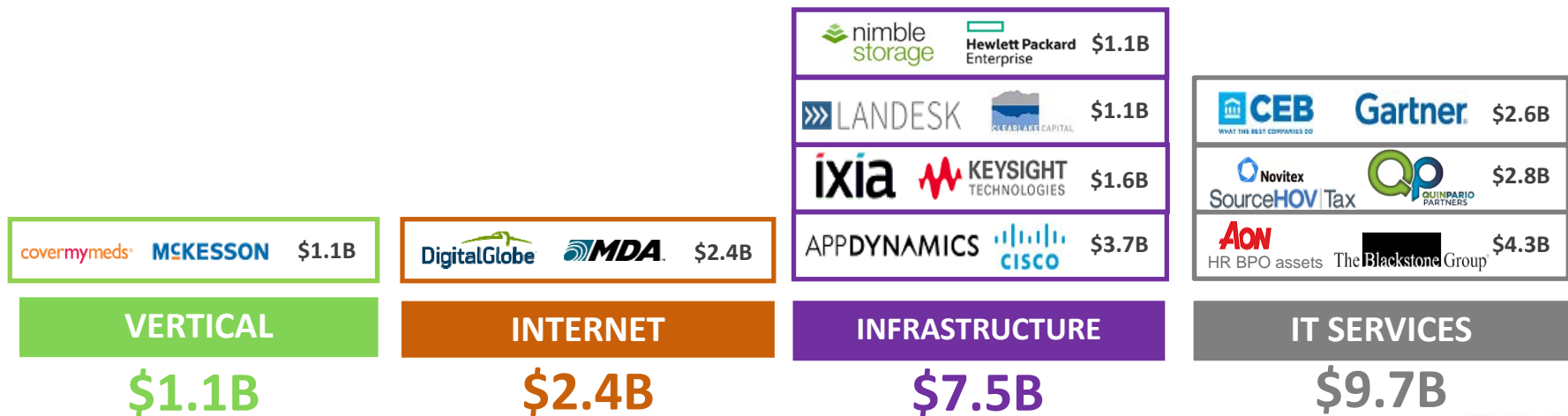
Average Life of Target

15 yrs

16 yrs

CORUM

# 2017 Mega Deals – YTD



# 2017 Mega Deals – YTD

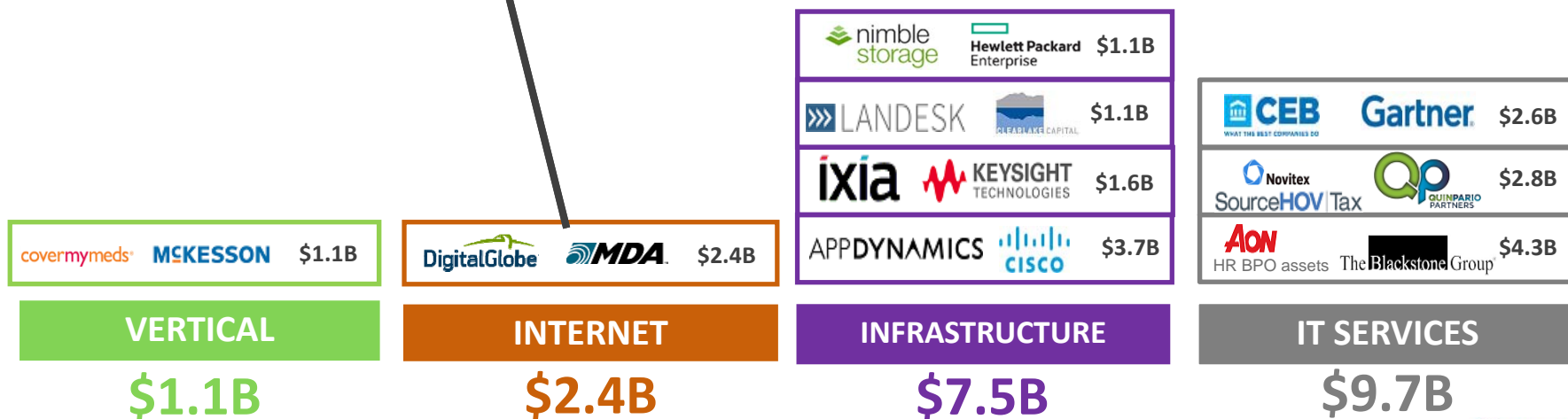


Sold to



**Target:** DigitalGlobe [USA]  
**Acquirer:** MacDonald, Dettwiler and Associates [Canada]  
**Transaction Value:** \$2.4B (5x EV/S and 10.9x EBITDA)

- Online database of satellite and aerial geospatial images





# Internet Market

## Public Valuation Multiples

Since Q4

Feb. 2017

Corum Analysis

EV  
Sales



4.1x

*Rebounding after a dip that started in Q3 2016...*

EV  
EBITDA



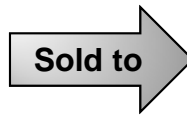
21.8x

*...with EBITDA multiples tracking closely.*



# Internet Market

## Deal Spotlights: Social Networks

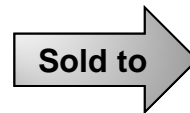


EV

**Target:** DeviantArt [USA]  
**Acquirer:** Wix.com [Israel]  
**Transaction Value:** \$36M

ter a  
in Q3

- Online community and social network for emerging artists



EV

**Target:** METUB Network [Vietnam]  
**Acquirer:** WebTVAsia [Malaysia]

ng

- Youtube-certified online video and talent social network



# Internet Market

## Deal Spotlights: Travel

**LUXURY  
RETREATS**

Sold to



**Target:** Luxury Retreats International [Canada]  
**Acquirer:** Airbnb [USA]

- classified ads website that enables property owners and travelers globally to list and reserve privately owned luxury villas and housing

EV

ter a  
in Q3

**tilt**

Sold to



**Target:** Tilt [USA]  
**Acquirer:** Airbnb [USA]  
**Transaction Value:** \$50M

- iOS and Android group payment and collection applications

EV

ng

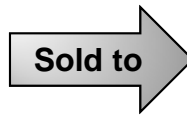




# Internet Market

## Deal Spotlights: Travel

**momondo**



**priceline.com**

**Target:** Momondo Group [Denmark]  
**Acquirer:** The Priceline Group [USA]  
**Transaction Value:** \$550M

- Online airline travel booking services

**tourico**holidays.com



 **hotelbeds**  
**GROUP**

**Target:** Tourico Holidays [USA]  
**Acquirer:** Hotelbeds Group [Cinven/CPPIB] [Spain]

- Online travel services to enable businesses in the travel and hospitality sectors to offer hotels, flights and cruises



# Horizontal Application Software Market

## Public Valuation Multiples

Since Q4

Feb. 2017

Corum Analysis



**3.8x**

*Strong markets help lift the sector to multi-year highs...*



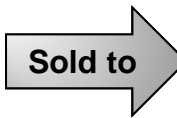
**17.3x**

*...while EBITDA metrics drop back to the bottom of their 12-month range.*



# Horizontal Application Software Market

## Deal Spotlights: Human Resources



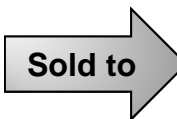
**Target:** Halogen Software [Canada]

**Acquirer:** Saba Software [USA]

**Transaction Value:** \$207.4M (2.4x EV/Sales and 33.6x EV/EBITDA)

- SaaS for the automation and management of performance appraisals, feedback and employee training

EV



**Target:** NetDimensions [Hong Kong]

**Acquirer:** Learning Technologies Group [United Kingdom]

**Transaction Value:** \$67.5M

- Employee training and performance management software and SaaS

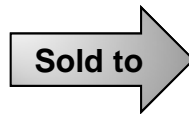
EV

E



# Horizontal Application Software Market

## Deal Spotlights: Human Resources



EV

**Target:** ServicePower Technologies [United Kingdom]  
**Acquirer:** Diversis Capital [USA]

- Field workforce dispatch, scheduling and management software



EV

**Target:** Silver Lining Solutions [United Kingdom]  
**Acquirer:** Genesys [USA]

- Employee performance analytics and optimization software and SaaS



# Horizontal Application Software Market

## Deal Spotlights: AdTech

**TURN**

Sold to

**AMOBEE**

**Target:** Turn [Canada]  
**Acquirer:** Amobee [USA]  
**Transaction Value:** \$310M (2.8x EV/Sales)

- Software and services to enable ad agencies to buy inventory on ad exchanges

EV



**CitizenNet**

Sold to

**CONDÉ NAST**

**Target:** CitizenNet [USA]  
**Acquirer:** Conde Nast Publications [USA]

- Natural language processing and semantic analysis for social media advertising management

EV

**AdEspresso**

Sold to

**Hootsuite™**

**Target:** AdEspresso [USA]  
**Acquirer:** HootSuite Media [USA]  
**Transaction Value:** \$35M (8.8x EV/Sales)

- Facebook advertising management and optimization SaaS



# Horizontal Application Software Market

## Deal Spotlight: SCM

Since Q4

Feb. 2017

Corum Analysis

EV

 Steelwedge

Sold to

 E2OPEN®

**Target:** Steelwedge Software [USA]

**Acquirer:** E2open [Insight Venture Partners] [USA]

- Advanced planning and scheduling and SCM analytics SaaS
- Matches Steelwedge's planning services with E2open's operational capabilities

EV



# Consumer Software Market

## Public Valuation Multiples

Since Q4

Feb. 2017

Corum Analysis



**2.2x**

*Relatively steady  
after a tumultuous  
2016...*



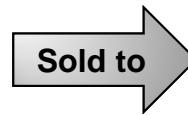
**17.5x**

*...with EBITDA  
valuations bouncing  
back from an end of  
year slump.*



# Consumer Software Market

## Deal Spotlights: Entertainment



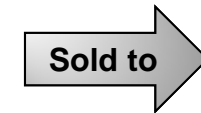
EV

**Target:** General Specific Inc. [dba Wheel] [USA]  
**Acquirer:** Tinder [USA]

- iOS mobile application that enables users to start, and share personal videos



Dacuda®



magic  
leap

EV

**Target:** Dacuda (3D business) [Switzerland]  
**Acquirer:** Magic Leap [USA]

- 3D graphics and visualization SaaS





# Consumer Software Market

## Deal Spotlight: Entertainment

Since Q4

Feb. 2017

Corum Analysis



Sold to



**Target:** Read It Later Inc. [dba Pocket] [USA]

**Acquirer:** Mozilla Corporation [USA]

- Web-based app that enables consumers to all kinds of content from the internet and view it at a later time on any device, online or offline
- Mozilla's first-ever strategic acquisition



# Consumer Software Market

## Deal Spotlights: Gaming



Sold to



**Target:** Escalation Studios [Lolapps] [USA]

**Acquirer:** ZeniMax Media [USA]

- Develops videogames for videogame consoles, smartphones, and social media sites

EV



Sold to



**Target:** Black Shamrock [Ireland]

**Acquirer:** Virtuos [China]

- Video games, including core gamer strategy and role playing games (RPG), for use on consoles and PCs

EV



Sold to



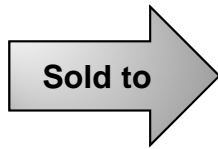
**Target:** Social Point [Spain]

**Acquirer:** Take-Two Interactive Software [USA]

**Transaction Value:** \$250M (2.8x EV/Sales)

- iOS and Android-based mobile video games, as well as social-based online video games

# 2017 Mega Deals – YTD



**Target:** Nimble Storage [USA]  
**Acquirer:** Hewlett Packard Enterprise [USA]  
**Transaction Value:** \$1.1B

- Predictive cloud infrastructure
- Extends HPE's reach into flash-storage data

covermymeds MCKESSON \$1.1B

DigitalGlobe MDA \$2.4B

nimble storage Hewlett Packard Enterprise \$1.1B  
 LANDESK PREPARED CAPITAL \$1.1B  
 ixia KEYSIGHT TECHNOLOGIES \$1.6B  
 APPDYNAMICS CISCO \$3.7B

CEB Gartner \$2.6B  
 Novitex SourceHOV Tax QP QUINPARIO PARTNERS \$2.8B  
 AON HR BPO assets The Blackstone Group \$4.3B

**VERTICAL**

**INTERNET**

**INFRASTRUCTURE**

**IT SERVICES**

**\$1.1B**

**\$2.4B**

**\$7.5B**

**\$9.7B**

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# Corum Research Report



**Amber Stoner**  
Director of Research



**Yasmin Khodamoradi**  
Director of Valuation Services

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## Seller's Panel



Dennis Gurock  
Gurock Software  
Co-Founder



Luc Pettett  
Punters.com.au  
Founder & CEO

# Seller's Panel



Dennis Gurock  
Gurock Software  
Co-Founder



Jon Scott  
Managing Director  
Corum Group Intl.



# Seller's Panel



Luc Pettett  
Punters.com.au  
Founder & CEO



Luc Pettett is a passionate technologist with a rare set of technical skills and business acumen. He began his working life as an on-track bookmaker while following his passion for software working in various roles, including at the Tatts Group (#2 wagering operator). Luc also worked for Microsoft in London which gave him significant insight into large scale software development and agile delivery. He combined his two passions in 2007 to co-found Punters and is the driving force for its product and technical innovation.

Luc has a Bachelor of Information Technology, Software Engineering degree from Queensland University of Technology.

# 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. 14: **Copenhagen** – MB

Mar. 29: **Mexico City** – MB

Mar. 15: **Stockholm** – MB

Mar. 30: **New York City** – MB

Mar. 16: **Helsinki** – MB

Apr. 4: **Vancouver** – MB

Mar. 23: **Reading** – MB

Apr. 4: **Zurich** – MB

Mar. 28: **Boston** – SUSO

Apr. 5: **Vienna** – MB

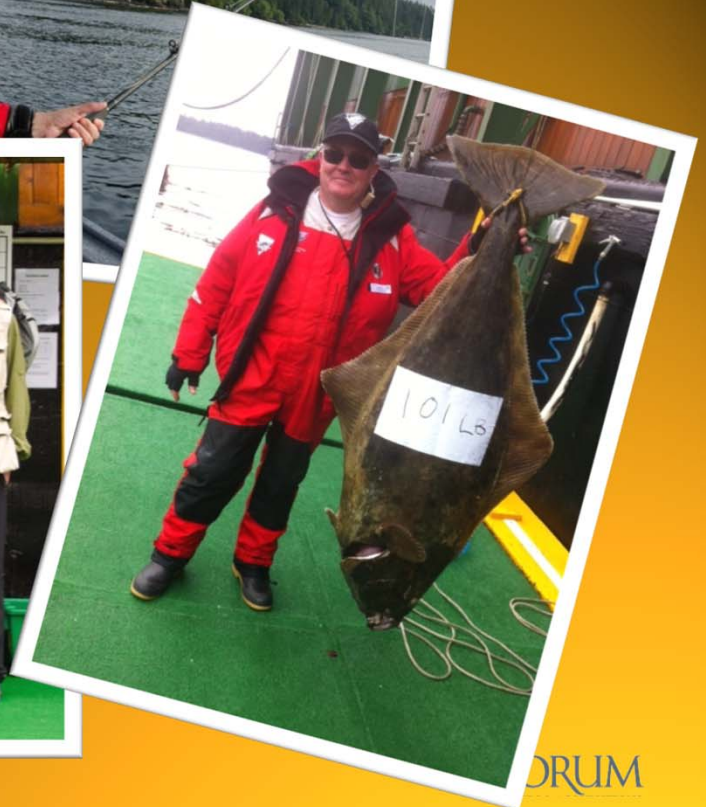
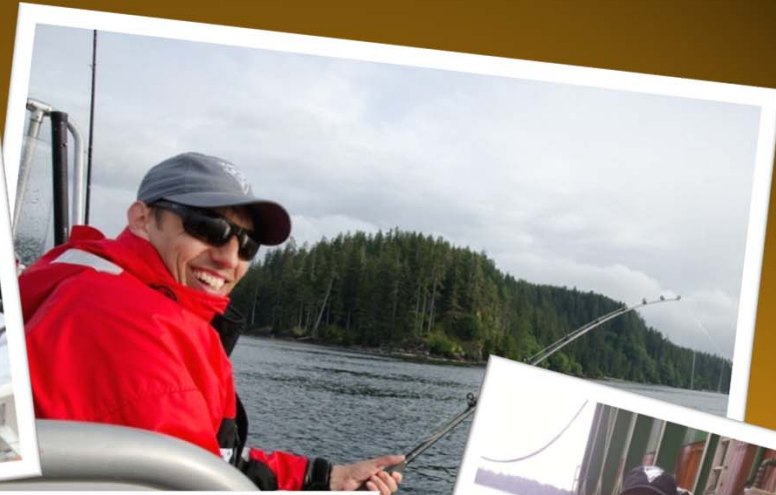
Mar. 28: **Paris** – MB

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

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# After the Deal – Celebration





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