

CORUM

Forecast 2019 Part 2
Private Equity Roundtable

Tech M&A Monthly

February 14, 2019

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.

Welcome

Field Report: Collain Healthcare

Field Report: Connected Holdings

Corum February Research Report

Forecast 2019 Part 2: Private Equity

Panel: Private Equity Roundtable



JEFF BROWN
SVP, CORUM GROUP LTD.



has acquired



a subsidiary of



Corum acted as exclusive M&A advisor to LG CNS

CORUM
MERGERS & ACQUISITIONS



JOEL ESPELIEN
PRESIDENT, CORUM GROUP

PHILIPS
CONNECT
TECHNOLOGIES

has acquired

CONNECTED
HOLDINGS

*Corum acted as exclusive M&A advisor
to Connected Holdings*

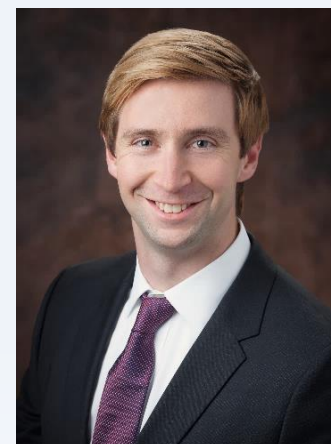
CORUM
MERGERS & ACQUISITIONS



Elon Gasper
EVP, Research

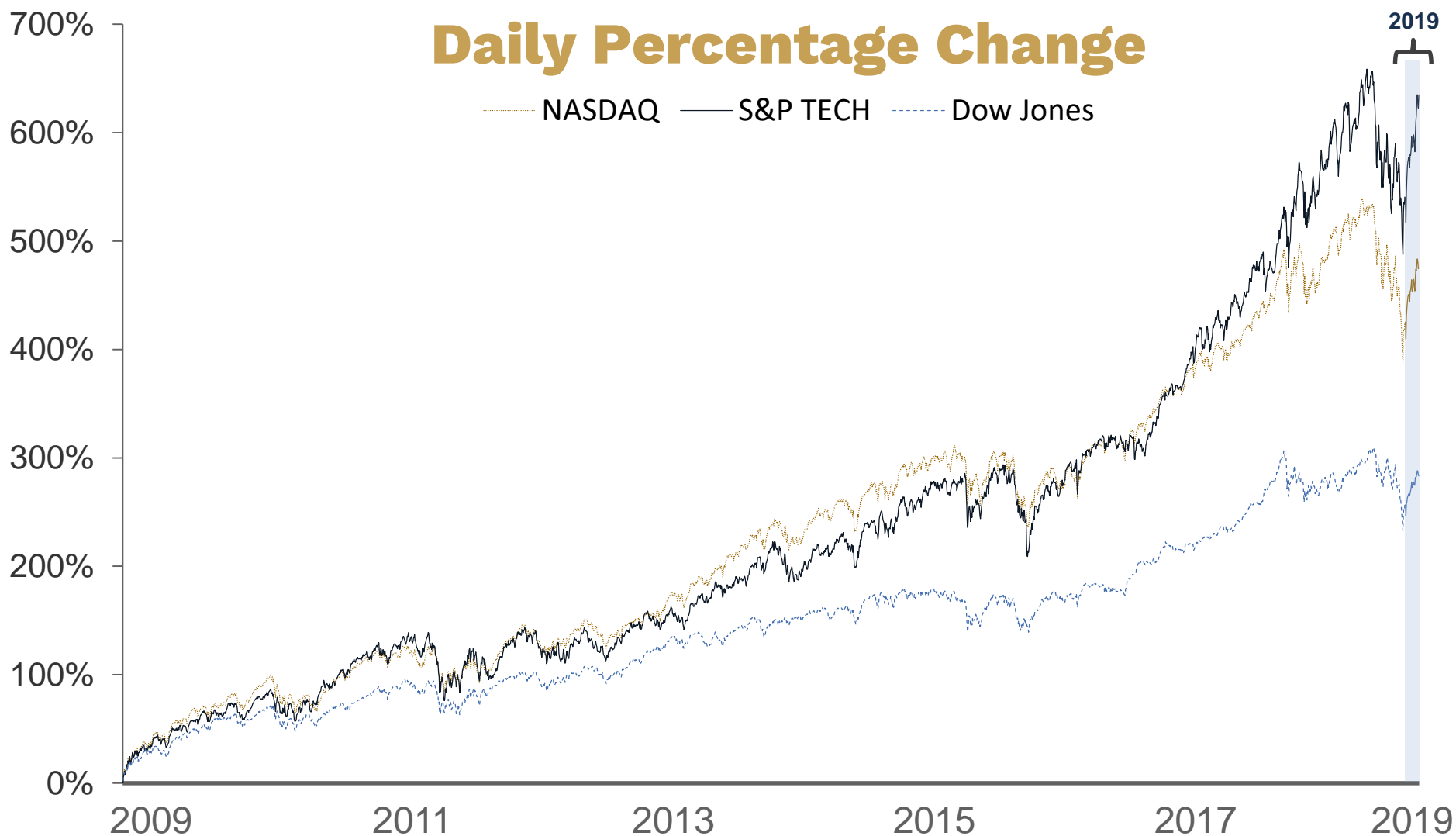


Becky Hill
Research Analyst

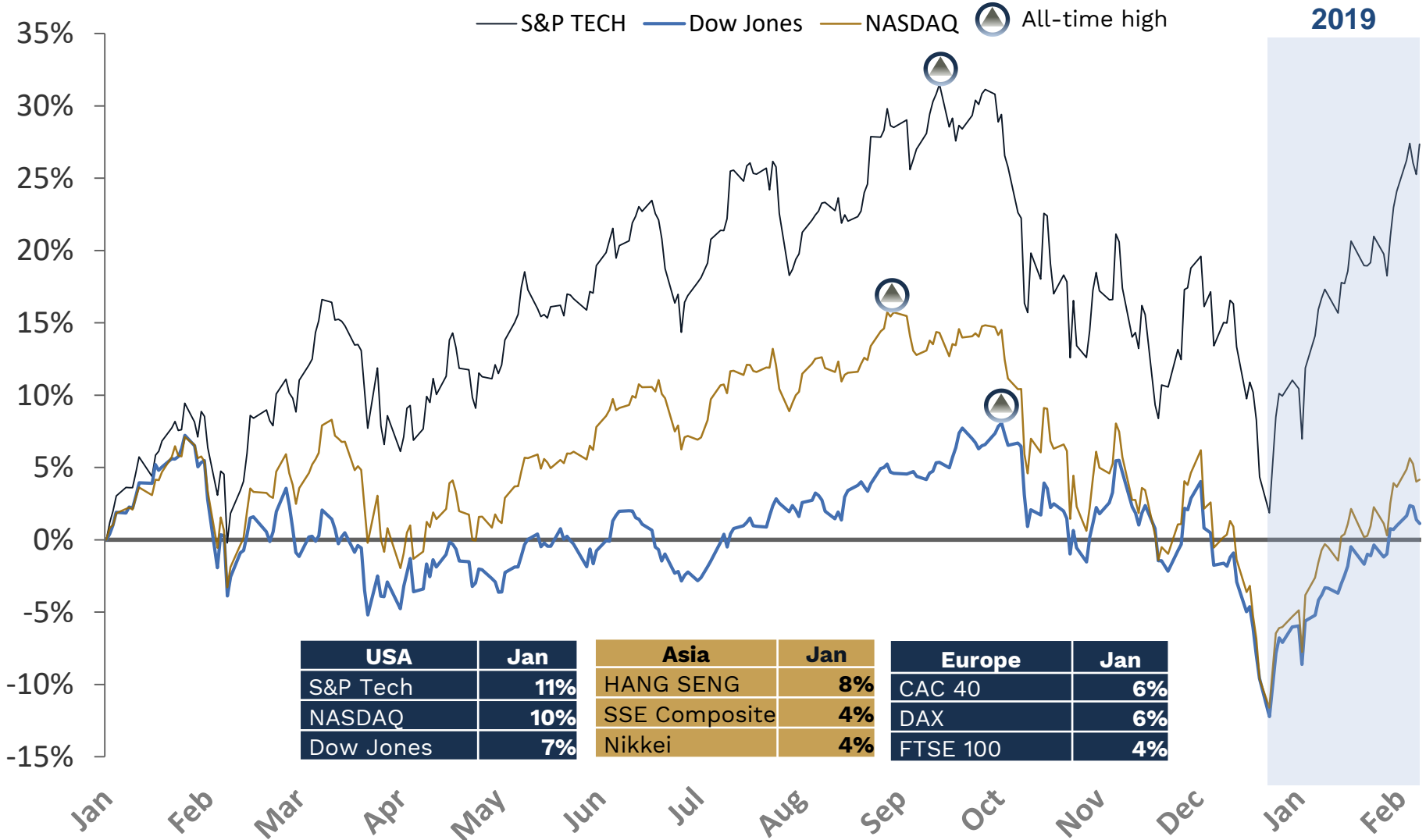


Matt Rung
Research Analyst

PUBLIC MARKETS: 2009-PRESENT



Daily Percentage Change



Market

Transactions

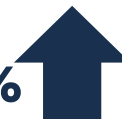
Jan. 18

275

Jan. 19

306

11%

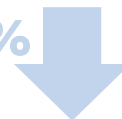


Mega Deals

6

4

33%

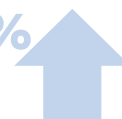


Largest Deal

\$17B

\$22B

29%



Pipeline

**Private Equity
Platform Deals**

Jan. 18

35

Jan. 19

41

17%



VC-Backed Exits

49

69

40%



Attributes

**Cross Border
Transactions**

Jan. 18

35%

Jan. 19

39%



**Start-Up
Acquisitions**

9%

9%



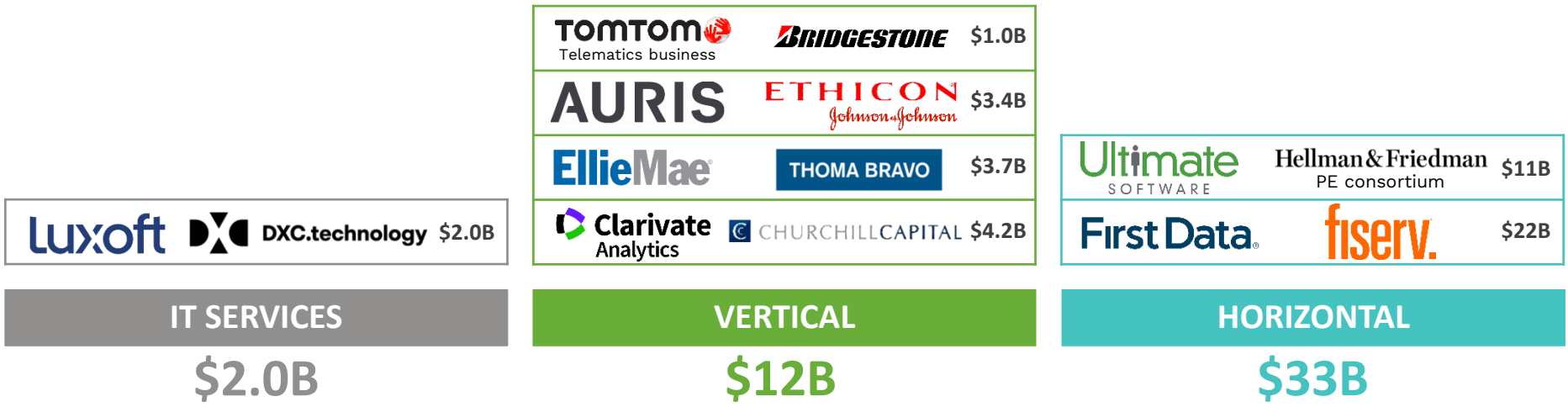
**Average Life
of Target**

17 yrs

19 yrs



2019 Mega Deals – YTD



Thoughts? Questions? Let us know!
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2019 Mega Deals – YTD



Seller: TomTom [Netherlands]
Acquirer: Bridgestone Corp. [Japan]
Transaction Value: \$1B (6.5x EV/Sales)
 - Telematics fleet-management division of TomTom

		\$1.0B
		\$3.4B
		\$3.7B
		\$4.2B

		\$2.0B
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		\$11B
		\$22B

IT SERVICES

\$2.0B

VERTICAL

\$12B

HORIZONTAL

\$33B



Thoughts? Questions? Let us know!
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First Data

SOLD TO

fiserv.

Seller: First Data Corp. [USA]

Acquirer: Fiserv [USA]

Transaction Value: \$22B (4x EV/Sales and 13.3x EV/EBITDA)
- E-commerce solutions including payment and transactions services

TOMTOM  **BRIDGESTONE** \$1.0B
Telematics business

AURIS **ETHICON** \$3.4B
Johnson & Johnson

EllieMae **THOMA BRAVO** \$3.7B

Clarivate  **CHURCHILLCAPITAL** \$4.2B
Analytics

Ultimate **Hellman & Friedman** \$11B
SOFTWARE PE consortium

First Data **fiserv.** \$22B

Luxoft  **DXC.technology** \$2.0B

IT SERVICES

\$2.0B

VERTICAL

\$12B

HORIZONTAL

\$33B



Thoughts? Questions? Let us know!

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Public Valuation Multiples

SINCE Q4

JAN. 2018

CORUM ANALYSIS



5.3x

Robust performance continues with an over 11% gain to near record set in Q3...



21.5x

...with EBITDA multiples rising comparably.



E-commerce Solutions



Seller: The UNIVERSUM Group [Germany]

Acquirer: heidelpay [AnaCap Financial Partners] [Germany]

- Debt management solutions



Seller: UniteU [USA]

Acquirer: VTEX [Brazil]

- E-commerce merchandising tools

Ultimate
SOFTWARE



Hellman & Friedman
PE consortium

Seller: Ultimate Software Group [USA]

Acquirer: Hellman & Friedman-led PE consortium [USA]

Transaction Value: \$11B (9.9x EV/Sales and 89.6x EV/EBITDA)
- Human capital management solutions

TOMTOM Telematics business	BRIDGESTONE	\$1.0B
AURIS	ETHICON <i>Johnson & Johnson</i>	\$3.4B
EllieMae	THOMA BRAVO	\$3.7B
Clarivate Analytics	CHURCHILL CAPITAL	\$4.2B

Ultimate SOFTWARE	Hellman & Friedman PE consortium	\$11B
First Data	fiserv.	\$22B

Luxoft	DXC.technology	\$2.0B
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IT SERVICES

\$2.0B

VERTICAL

\$12B

HORIZONTAL

\$33B



Thoughts? Questions? Let us know!

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Workforce Management



Seller: CrewSense [USA]

Acquirer: Vector Solutions [Providence Equity Partners] [USA]

- Cloud platform for employee shift scheduling and resource management



Seller: Compli [USA]

Acquirer: KPA [Providence Equity Partners] [USA]

- Workforce compliance automation solutions



Seller: Boxsuite [Australia]

Acquirer: ELMO Software [Australia]

Transaction Value: \$1M (14.2x EV/Sales)

- Employee rostering and time attendance platform



Seller: The Sage Group (Sage Payroll Solutions) [United Kingdom]

Acquirer: iSolved HCM [Accel-KKR Company] [USA]

Transaction Value: \$93.2M (1.9x EV/Sales)

- Payroll, tax-filing and HR solutions



Content Management



THE CARLYLE GROUP

Seller: SERgroup [Germany]
Acquirer: The Carlyle Group [USA]
- Enterprise content management SaaS



Enterprise content management SaaS assets



Seller: ThoughtTrace (enterprise content management SaaS assets) [USA]
Acquirer: Konica Minolta Business Solutions USA [USA]
- Assets of ThoughtTrace, AI-based document management SaaS



Seller: Slope [USA]
Acquirer: Smartsheet [USA]
- Creative content management platform



Logistics



Seller: Transporeon [TPG Capital] [Germany]

Acquirer: HgCapital [United Kingdom]

Transaction Value: \$46M

- Intelligent logistics SaaS



Seller: Our Freight Guy [USA]

Acquirer: GlobalTranz Enterprises [Jordan Company] [Brazil]

- Freight brokerage and logistics solutions



Public Valuation Multiples

SINCE Q4

JAN. 2018

CORUM ANALYSIS



1.1x

*Slight increase after
downtrend in 2018...*



11x

*...with EBITDA metrics
recovering 10%, to
October levels.*



Focused Systems Integrators



SYNTAX

Seller: Freudenberg IT [Germany]
Acquirer: Syntax Systems [Canada]
- SAP consulting services



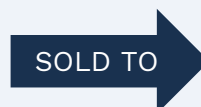
SYNTAX

Seller: EmeraldCube Solutions [USA]
Acquirer: Syntax Systems [Canada]
- Oracle JD Edwards ERP systems integrator



 Hitachi Solutions

Seller: Capax Global [USA]
Acquirer: Hitachi Solutions America [USA]
- Microsoft Azure systems and network integrator



 SIMPLUS

Seller: Squire Peg [Australia]
Acquirer: Simplus [USA]
- Salesforce and AWS systems integration



Business Process Outsourcing



Discovery Benefits®

SOLD TO



Seller: Discovery Benefits [State Bankshares] [USA]

Acquirer: WEX [USA]

Transaction Value: \$425M (4.3x EV/Sales)

- Employee benefit administration services



SOLD TO



Seller: InterGlobe Technologies [India]

Acquirer: AION Capital Partners [India]

Transaction value: \$230 (reported)

- Aviation and travel related services



SOLD TO



Seller: The Garretson Resolution Group [USA]

Acquirer: Epiq Systems [OMERS Private Equity/Harvest Partners] [USA]

- Tech-enabled civil settlement services



Public Valuation Multiples

SINCE Q4

JAN. 2018

CORUM ANALYSIS



3.2x

Values particularly buoyed by the Core Gaming subsector...



16.8x

...with EBITDA-based performance also improving.



Gaming Consolidators

VIVOX



Seller: Vivox [USA]

Acquirer: Unity Technologies [USA]

- Voice and text chat for in-game and other social experiences

3Lateral



Seller: 3Lateral [Serbia]

Acquirer: Epic Games [USA]

- 3D video game character rendering and other animation applications



Gaming Consolidators



Outcast game IP

SOLD TO



Seller: Appeal Studios (Outcast game IP) [Belgium]
Acquirer: THQ Nordic [Sweden]
- Video game IP



SOLD TO



Seller: TickTock Games [United Kingdom]
Acquirer: Rebellion Developments [United Kingdom]
- Mobile and console video games, including *Strange Brigade*



SOLD TO



Seller: Supertreat [Austria]
Acquirer: Playtika [Giant Investment/Yunfeng Capital et al] [Israel]
- Mobile games



Video Streaming

PLUTO^{TV}

SOLD TO

VIACOM

Seller: Pluto TV [USA]

Acquirer: Viacom [USA]

Transaction Value: \$340M

- Online streaming television

MagineTV

SOLD TO

ZATTOO

B2C assets

Seller: Magine (B2C assets) [Germany]

Acquirer: Zattoo [Switzerland]

- Mobile television streaming



Music Streaming



SOLD TO



Seller: Akazoo [Toscafund Asset Management/Penta Capital] [United Kingdom]

Acquirer: Modern Media Acquisition [USA]

Transaction Value: \$400M (3.4x EV/Sales and 35.2 EV/EBITDA)

- Web and mobile music streaming



SOLD TO



Seller: Napster [Columbus Nova Technology Partners] [USA]

Acquirer: RealNetworks [USA]

- Subscription-based music streaming



Google



Seller: SuperPod [USA]

Acquirer: Google [Alphabet] [USA]

- Mobile-based question and answer platform

FOSSIL
GROUP

smartwatch technology



Seller: Fossil Group (smartwatch technology) [USA]

Acquirer: Google [Alphabet] [USA]

Transaction Value: \$40M

- Smart wearable watches technology



Annual Research Report Part 2: Private Equity

AMANDA TALLMAN, SENIOR ANALYST, CORUM GROUP LTD.



Amanda joined Corum in 2012 as a marketing assistant and transferred to the research department in 2016 after serving 2 years as the senior marketing coordinator. As Senior Analyst, she helps to develop exit strategies and identify potential acquirers for Corum's clients.

Prior to joining Corum, Amanda served as an intern at Calypso Medical Technologies (later acquired by Varian Medical Systems) in Seattle.

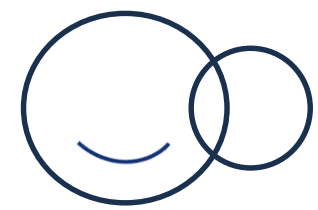
Amanda graduated Cum Laude from Gonzaga University with degrees in marketing and finance.

PRIVATE EQUITY DEALS



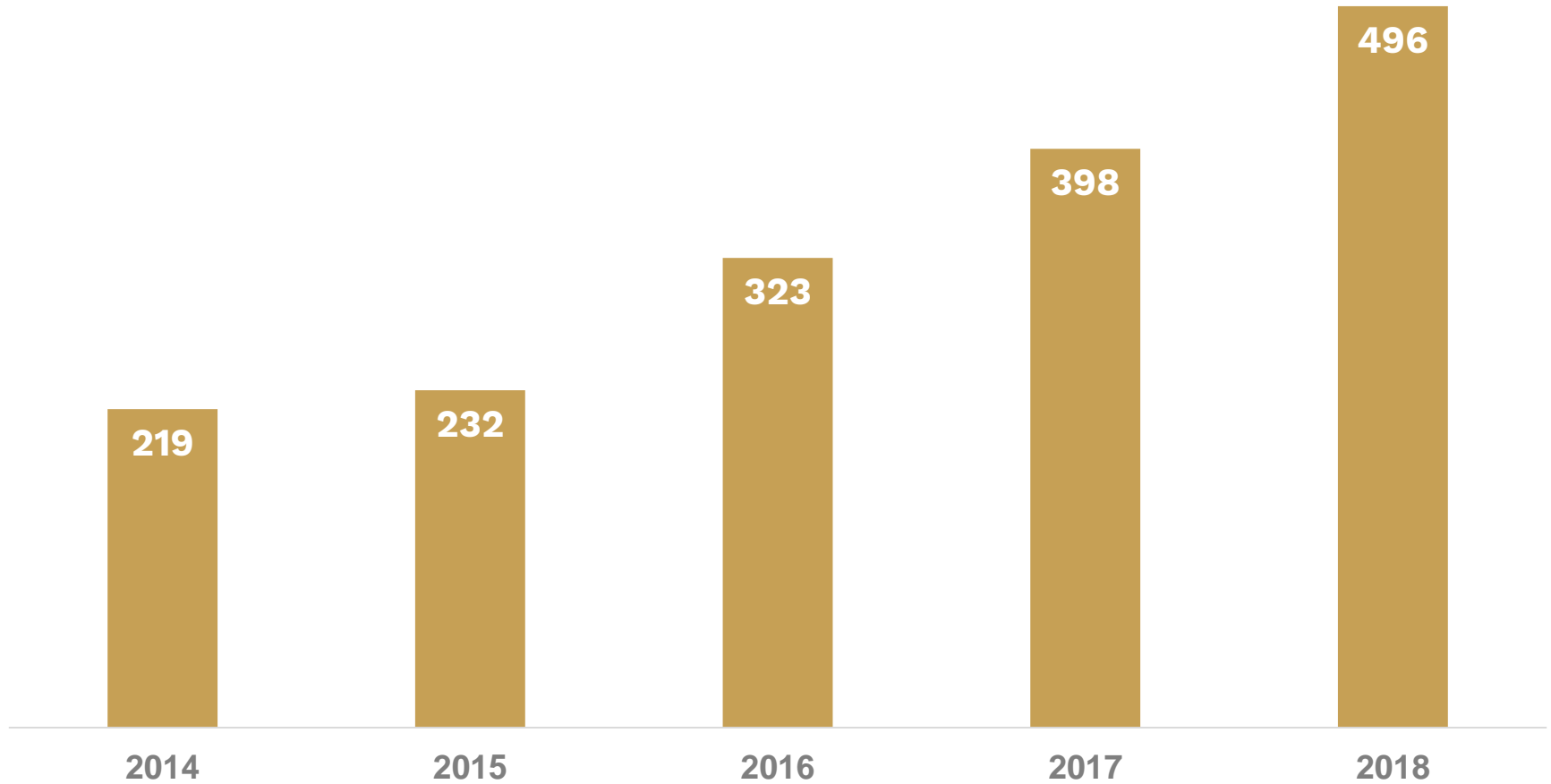
Platform deals

Bolt-on deals

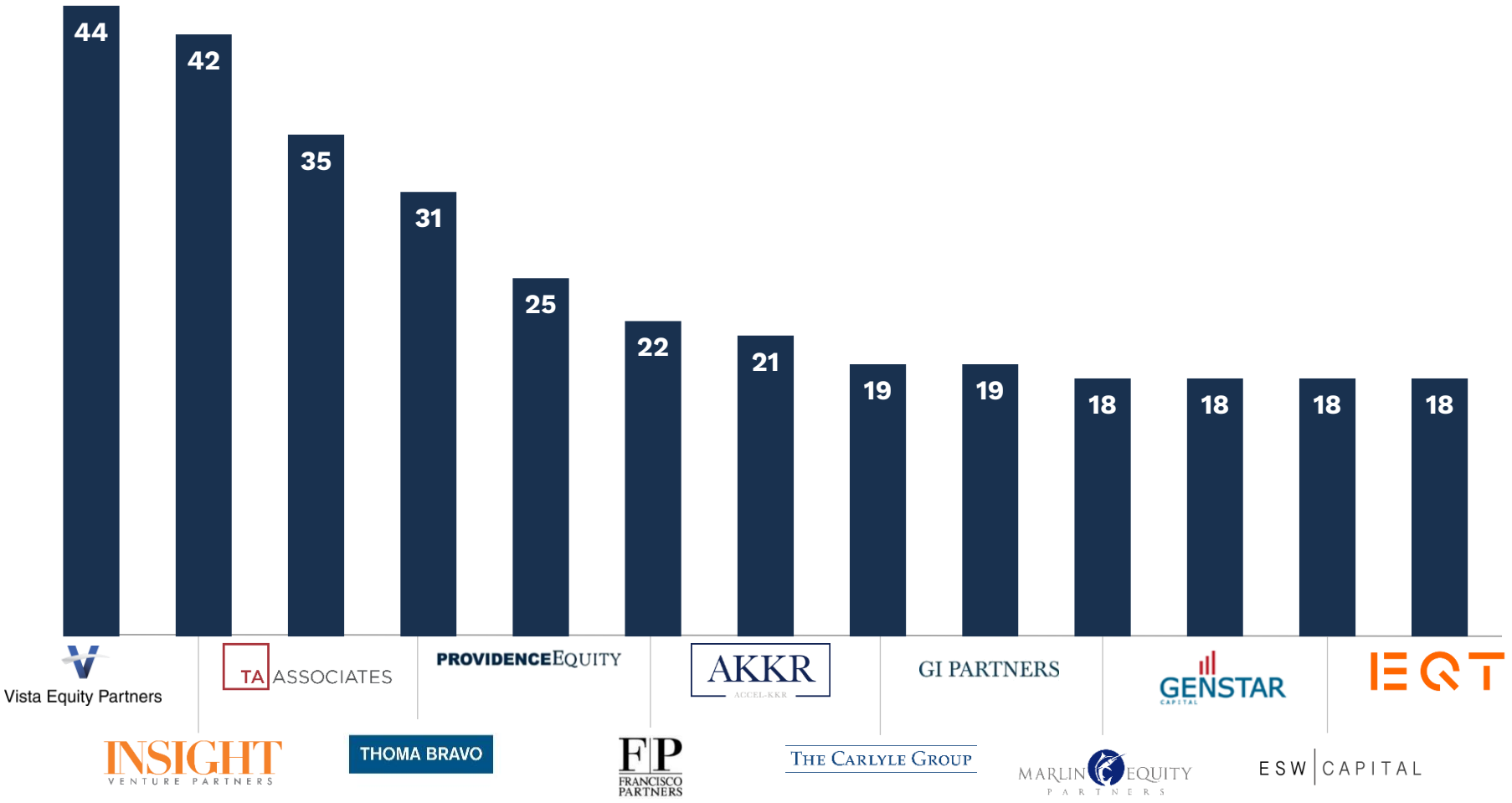


TECH M&A PLATFORM DEALS

2014-18



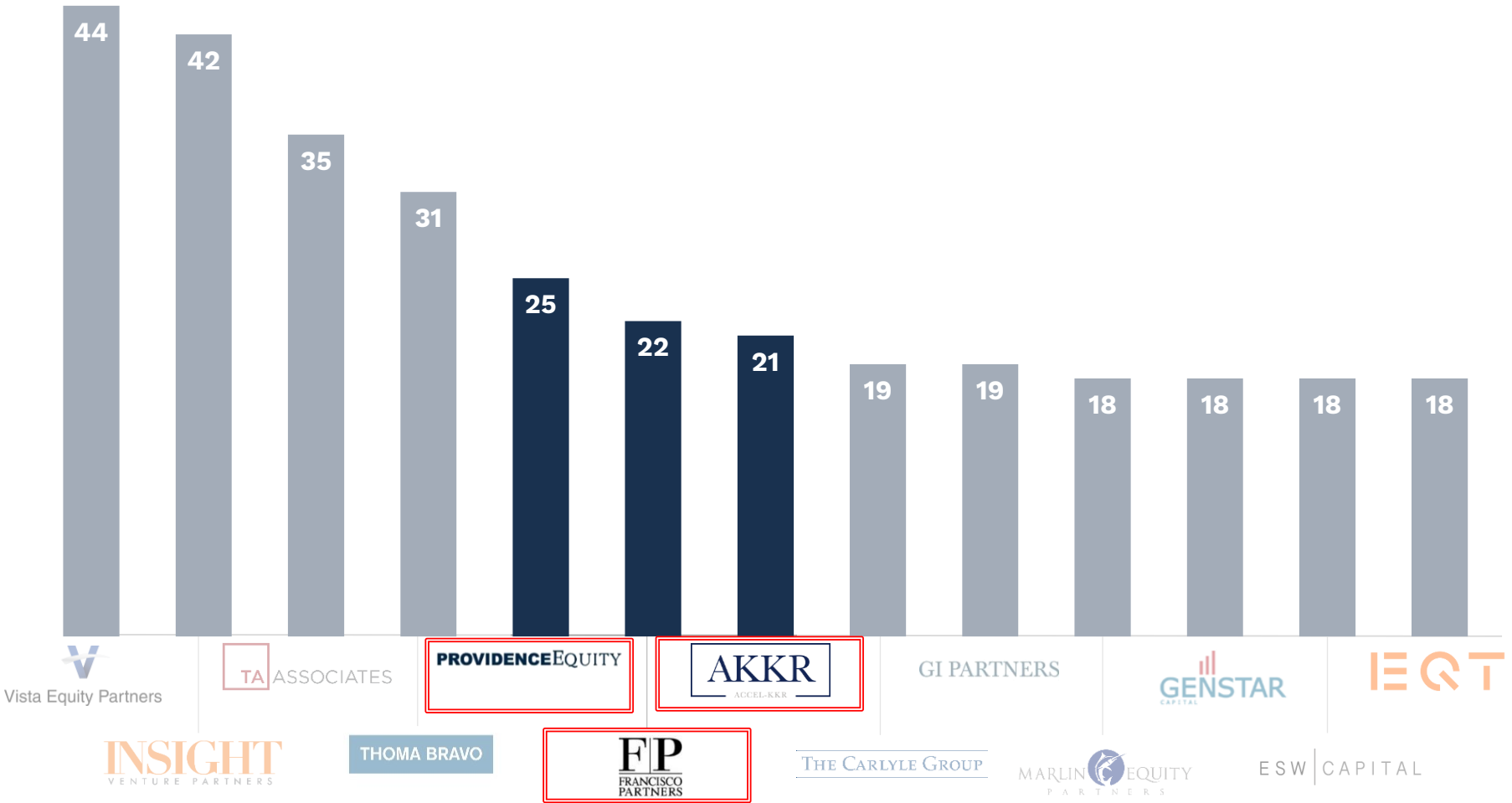
TOP PRIVATE EQUITY ACQUIRERS 2018



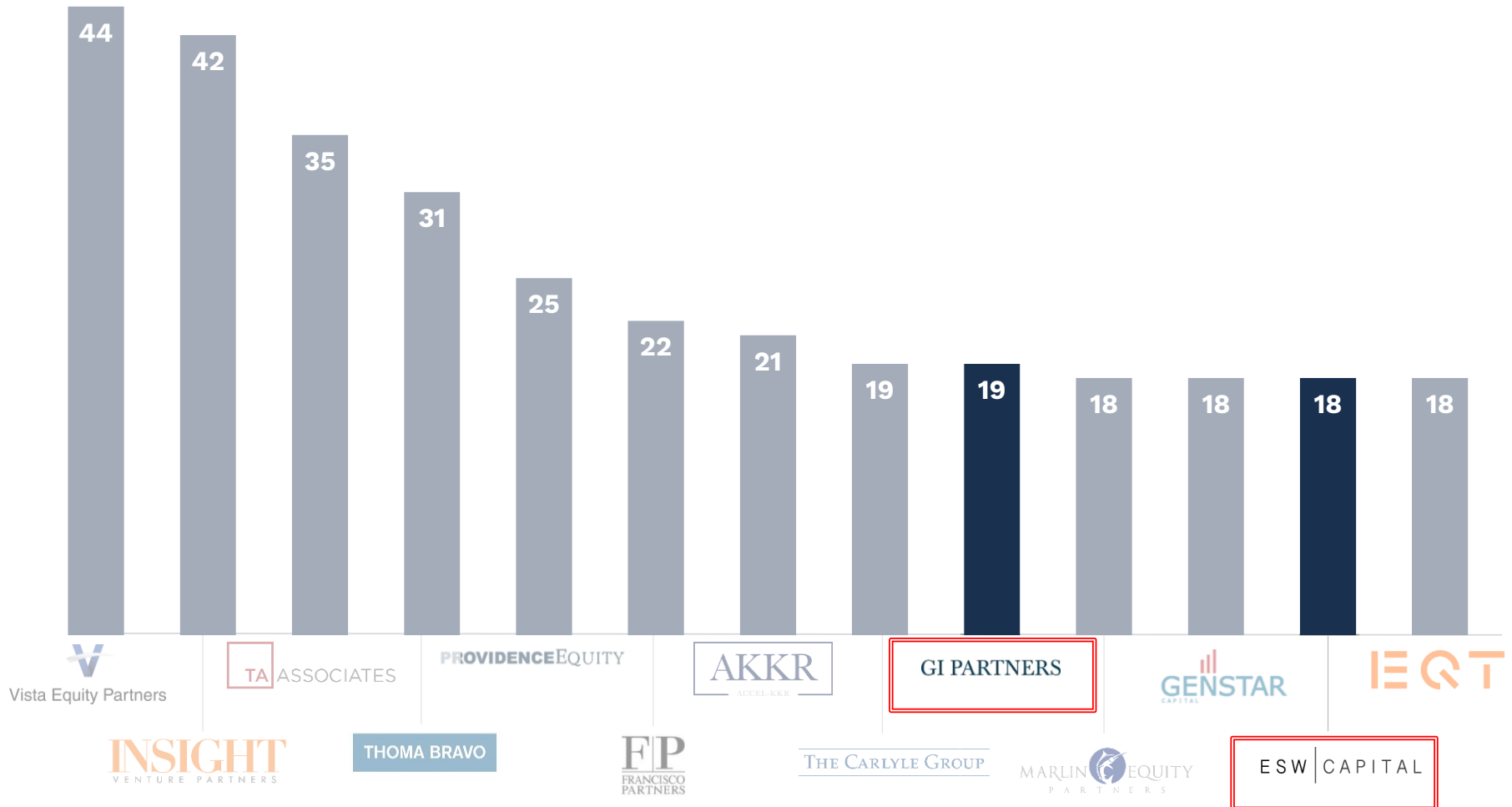
TOP PRIVATE EQUITY ACQUIRERS 2018



TOP PRIVATE EQUITY ACQUIRERS 2018



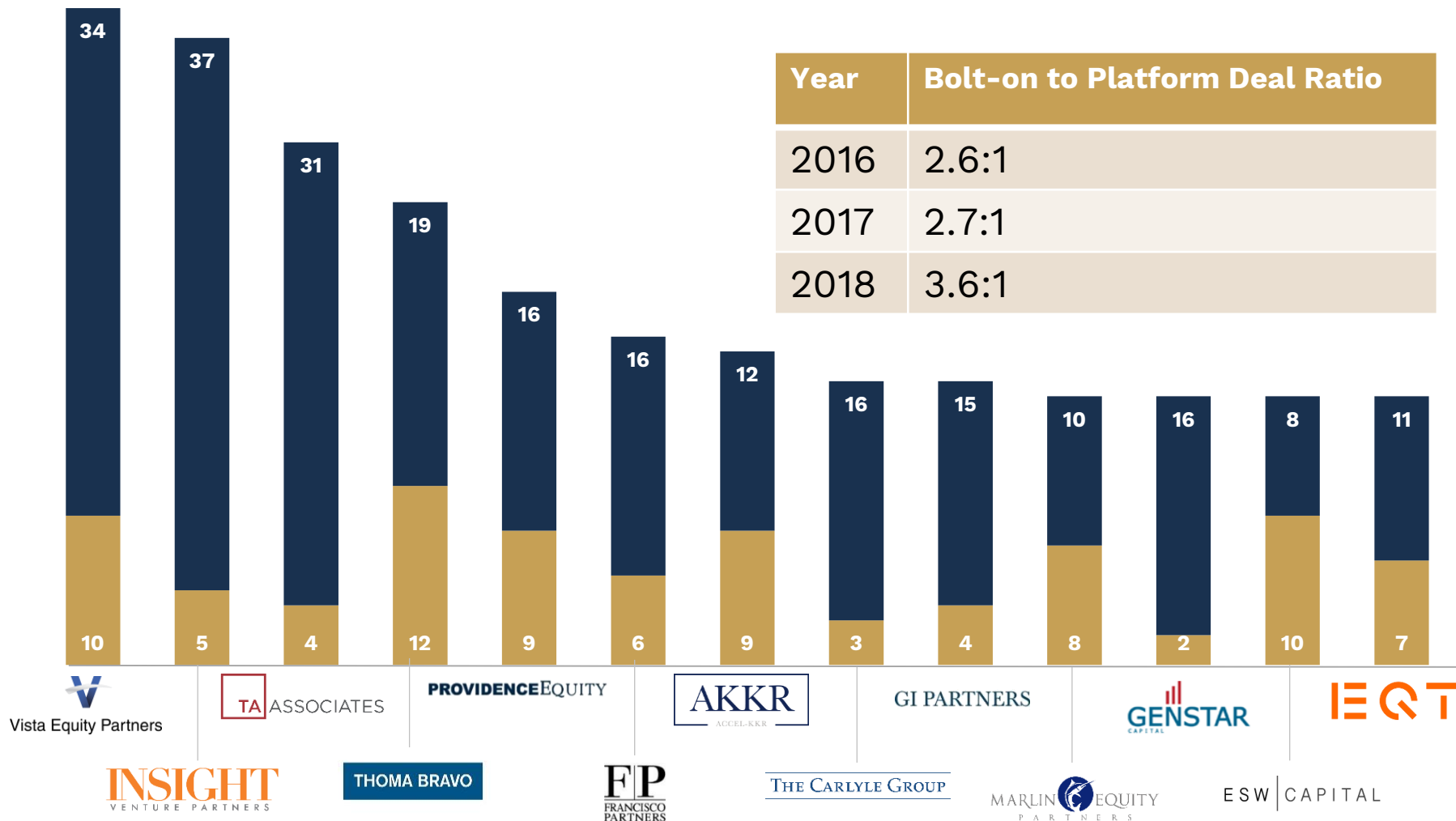
TOP PRIVATE EQUITY ACQUIRERS 2018



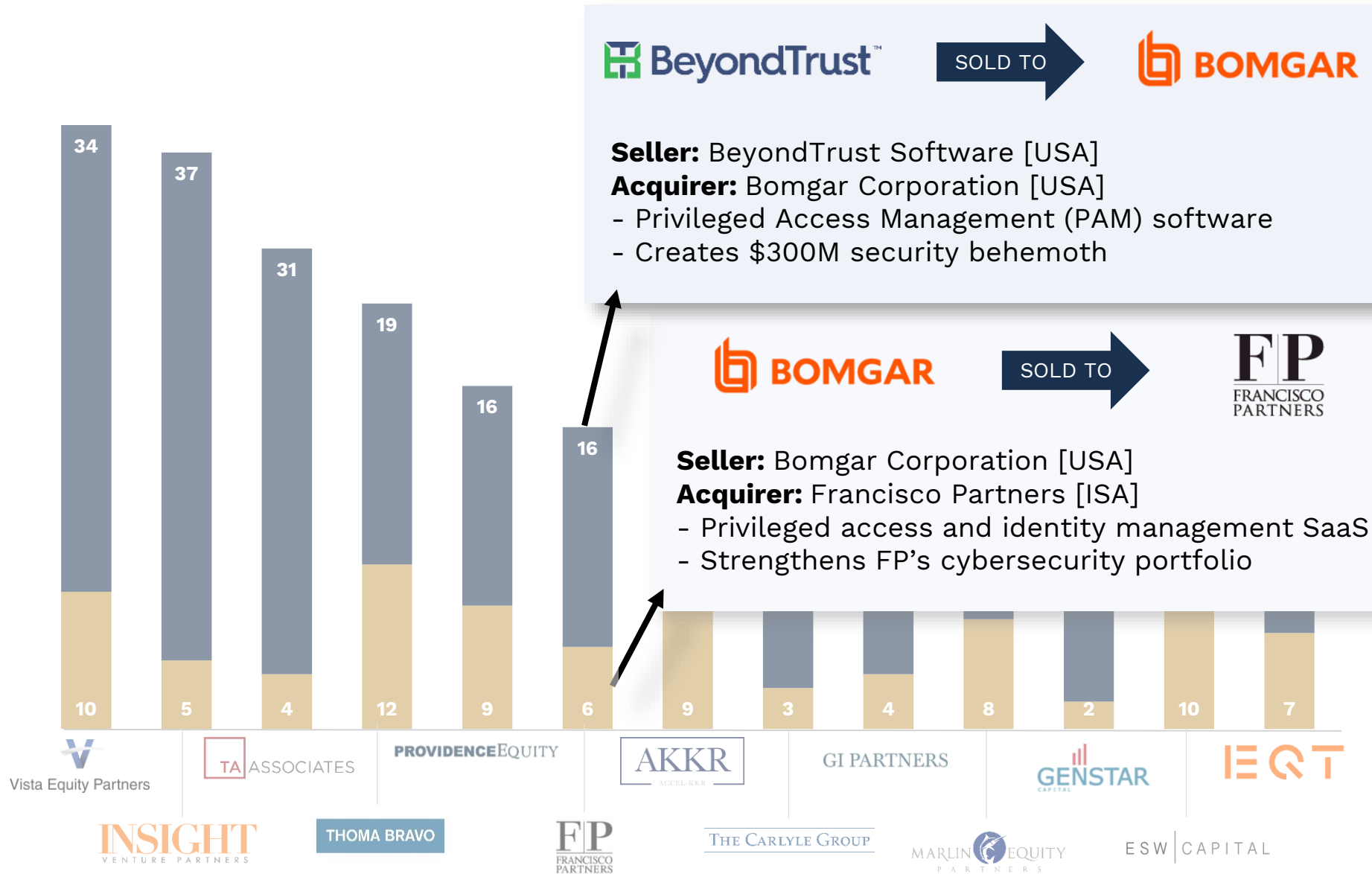
PLATFORM VS. BOLT-ON ACQUISITIONS

■ Bolt-on ■ Platform

Year	Bolt-on to Platform Deal Ratio
2016	2.6:1
2017	2.7:1
2018	3.6:1

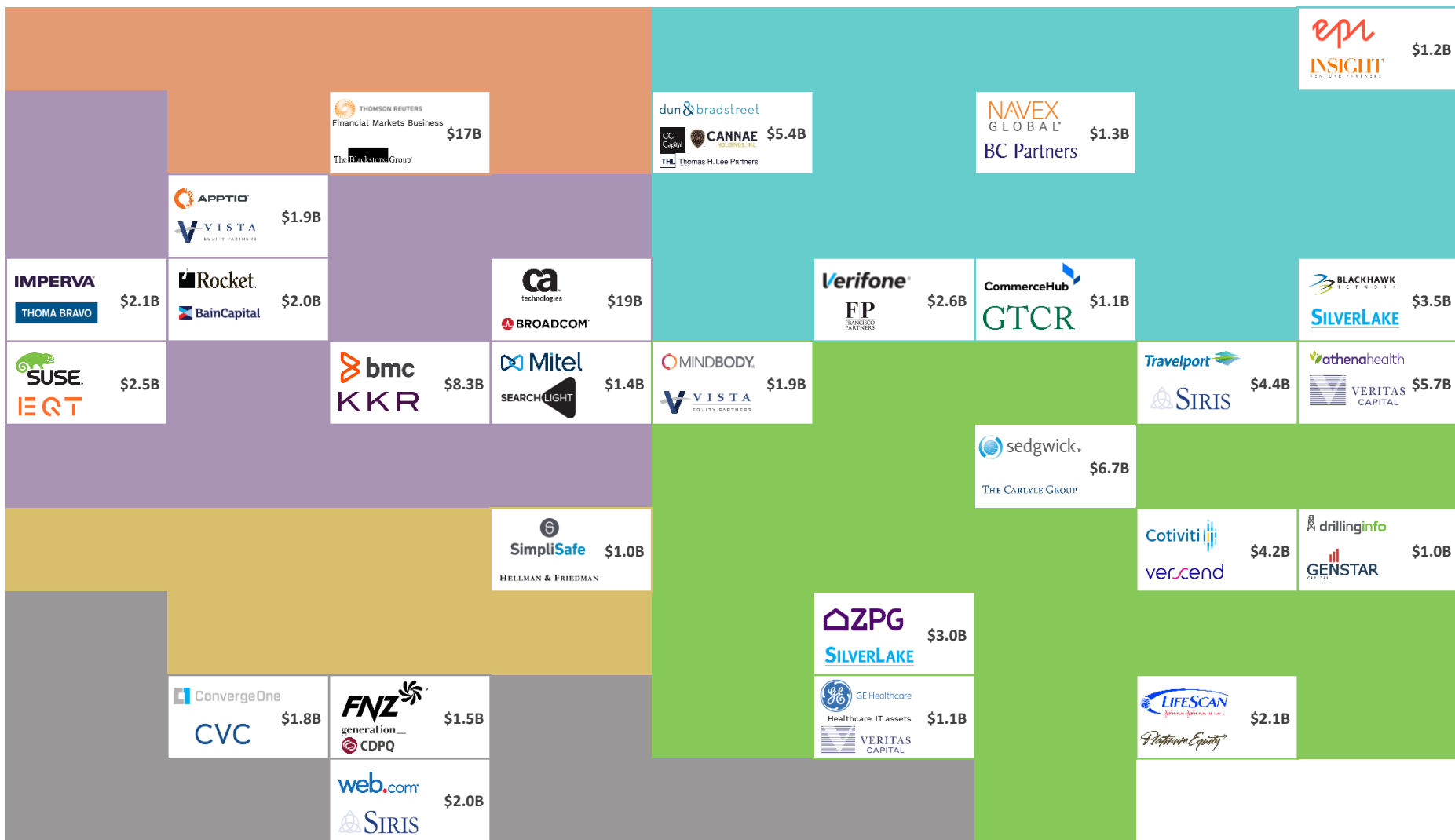


PLATFORM VS. BOLT-ON ACQUISITIONS



MEGADEALS 2018 – PE BUYERS

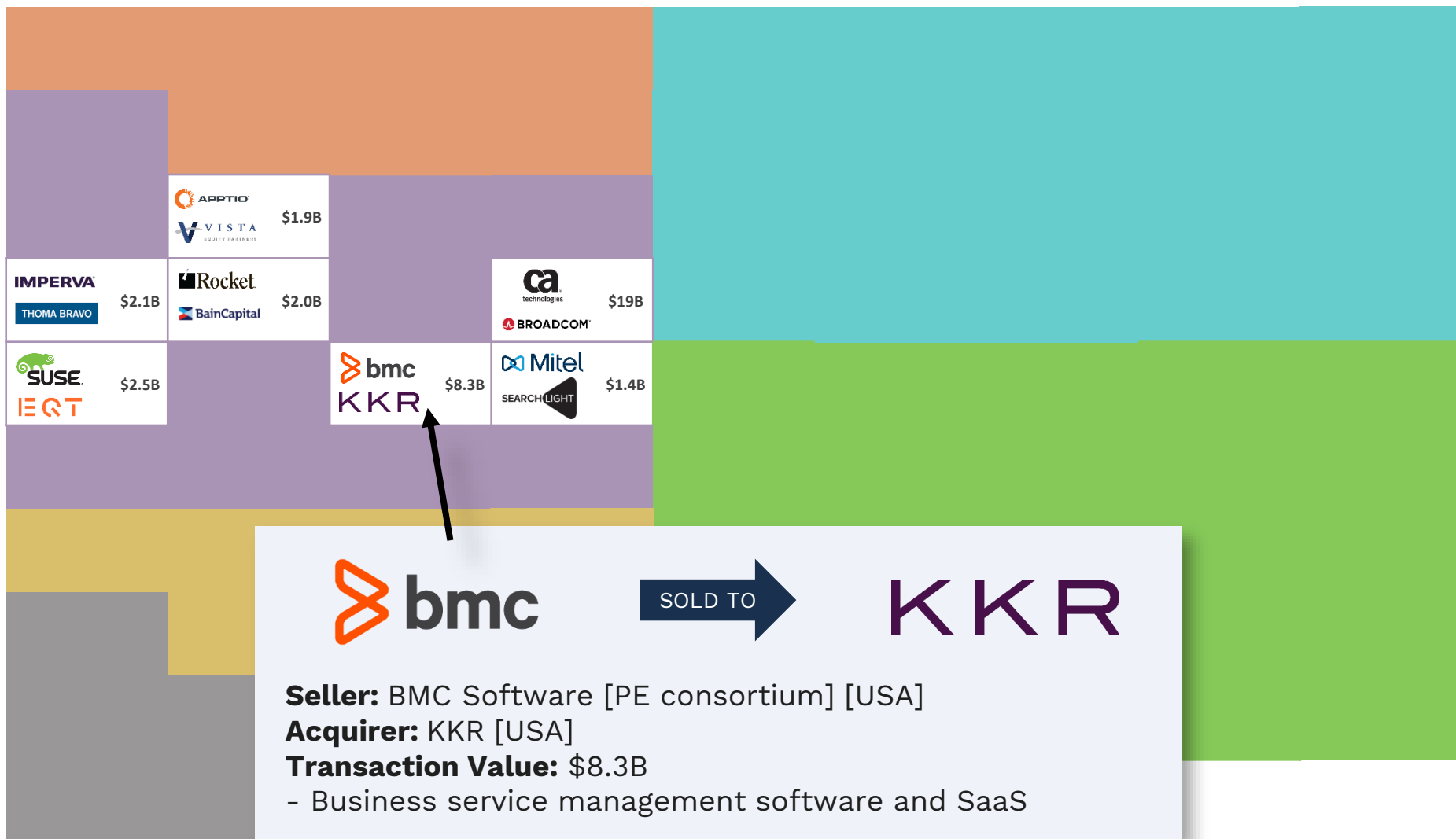
\$106B TOTAL



Thoughts? Questions? Let us know!
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MEGADEALS 2018 – PE BUYERS

DEALS BETWEEN PEs



Seller: BMC Software [PE consortium] [USA]
Acquirer: KKR [USA]
Transaction Value: \$8.3B
- Business service management software and SaaS



Thoughts? Questions? Let us know!
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MEGADEALS 2018 – PE BUYERS

DEALS BETWEEN PEs



SOLD TO

THE CARLYLE GROUP

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

Acquirer: The Carlyle Group [USA]

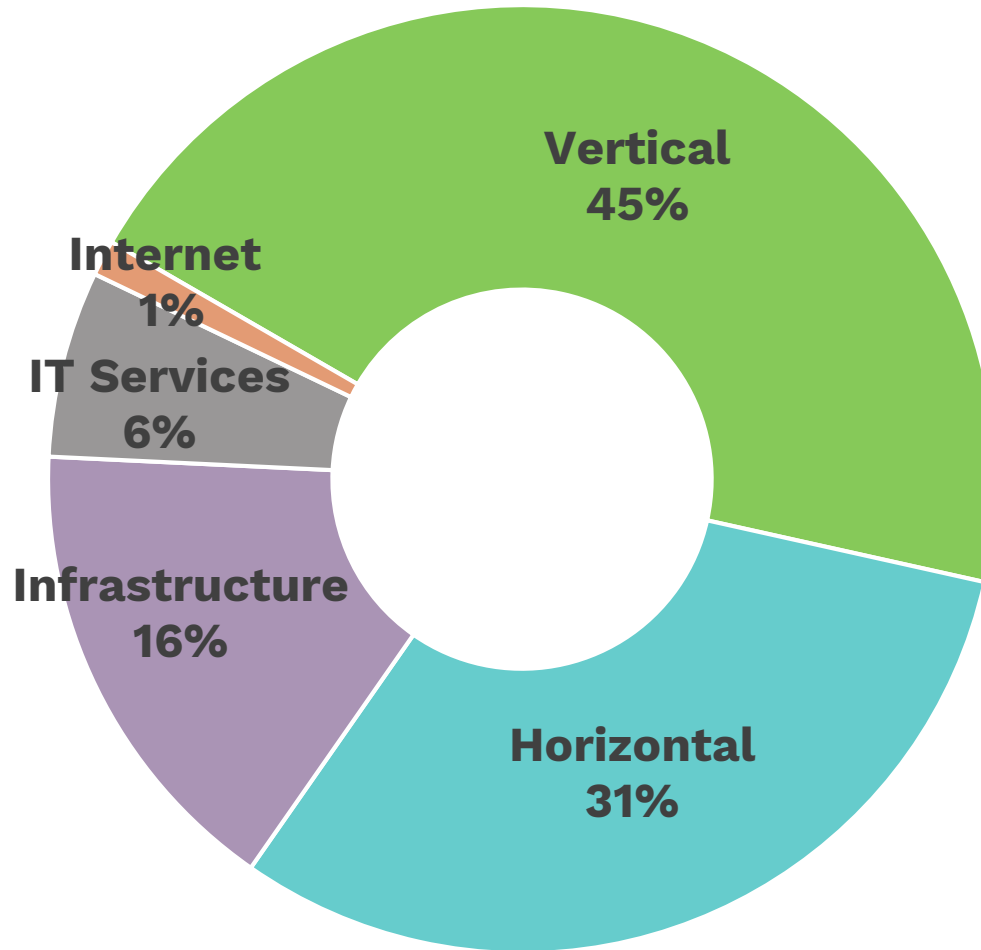
Transaction Value: \$6.7B

- Insurance claims processing management services

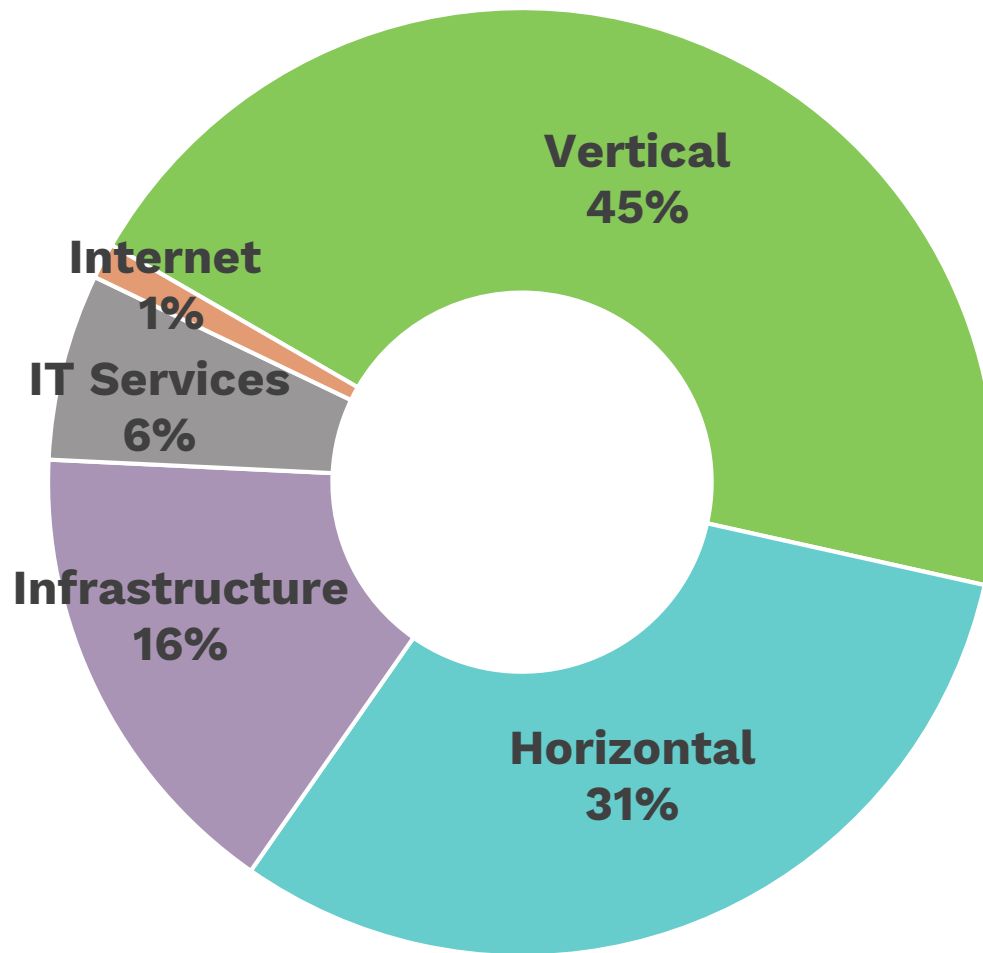


Thoughts? Questions? Let us know!

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Enterprise sectors
**(Vertical, Horizontal,
Infrastructure)**
dominated.



Vertical **grew from 27% in 2017 to 45% in 2018**, driven by top trends like Blue Collar Software



Government



Seller: WirelessCar [Volvo Group] [Sweden]
Acquirer: Granicus [Vista Equity Partners] [USA]
- e-Government and e-Business software



Seller: IQM2 [Accela][Berkshire Partners] [USA]
Acquirer: Granicus [Vista Equity Partners] [USA]
- Public sector meeting software



Workforce Management

ExakTime

SOLD TO

PROVIDENCE EQUITY

Target: ExakTime Innovations [USA]

Acquirer: Providence Equity Partners [USA]

- Workforce management solutions for construction and field services companies



BirdDogHR

SOLD TO

ARCORO

Target: BirdDogHR [USA]

Acquirer: Arcoro [Providence Strategic Growth] [Germany]

- Recruiting software

INFINITYHR

SOLD TO

ARCORO

Target: InfinityHR [USA]

Acquirer: Arcoro [Providence Strategic Growth] [Germany]

- HR software solutions, including benefits and payroll management tools

AMANDA TALLMAN, SENIOR ANALYST, CORUM GROUP LTD.



Amanda joined Corum in 2012 as a marketing assistant and transferred to the research department in 2016 after serving 2 years as the senior marketing coordinator. As Senior Analyst, she helps to develop exit strategies and identify potential acquirers for Corum's clients.

Prior to joining Corum, Amanda served as an intern at Calypso Medical Technologies (later acquired by Varian Medical Systems) in Seattle.

Amanda graduated Cum Laude from Gonzaga University with degrees in marketing and finance.



Private Equity Roundtable

PRIVATE EQUITY ROUNDTABLE PANEL

CORUM
MERGERS & ACQUISITIONS



RENE YANG
STEWART
VISTA EQUITY



JEREMY HOLLAND
RIVERSIDE
COMPANY



MATTHEW
PICCIANO
ALPINE INVESTORS

RENE YANG STEWART, PRINCIPAL, VISTA EQUITY



René Yang Stewart joined Vista Equity Partners in 2007. Ms. Stewart is Co-Head of the Vista Endeavor Fund and sits on the Vista Endeavor Fund Investment Committee. She currently sits on the boards of Dispatch, Gather, RADAR, SecureLink, YouEarnedIt, and Zapproved and was actively involved in the firm's investments in Accruent, AGDATA, Bullhorn, Lone Wolf, and Mitratach.

Prior to joining Vista, Ms. Stewart worked at Yahoo! in the Corporate Finance Group, focusing on mergers and acquisitions and business development opportunities for the company. Before her time at Yahoo!, Ms. Stewart worked at Lehman Brothers in the Global Technology Group.

Education: B.A. in Economics, Columbia University, *magna cum laude*

JEREMY HOLLAND, **MANAGING PARTNER, RIVERSIDE**



Office: Los Angeles

Joined Riverside in: 2010

Prior Employment:

- Principal – Vintage Fund Management
- Principal – Wedbush Capital Partners
- Associate – Buttonwood Capital Group

Education: BS – Finance, California State University, Northridge

MATTHEW PICCIANO, PRINCIPAL, ALPINE INVESTORS



Matthew is a Principal at Alpine and focuses on new investment opportunities within the software, business services and consumer services sectors.

Matthew joined Alpine in 2007 from The University of Cincinnati where he graduated cum laude with a Bachelor of Business Administration in Finance and Real Estate. His previous work experience includes an internship in capital management at The Kroger Co., an internship as a real estate analyst in The Kroger Co.'s Atlanta Division, and a mutual fund accountant internship at Integrated Investment Services.

MERGE BRIEFING

90-minute industry update
and overview of the M&A
process

MERGE BRIEFING	
Feb. 19	Brussels
Feb. 21	Edinburgh
Feb. 21	Nashville
Feb. 26	Pittsburgh
Feb. 26	Boston
Feb. 27	Glasgow
Mar. 5	Oslo



Half-day tech M&A
bootcamp – a deep dive on
selling your company

SELLING UP, SELLING OUT	
Feb. 27	San Jose
Feb. 27	Atlanta
Mar. 5	Calgary
Mar. 11	Orange County

After the Deal – Celebration





www.corumgroup.com