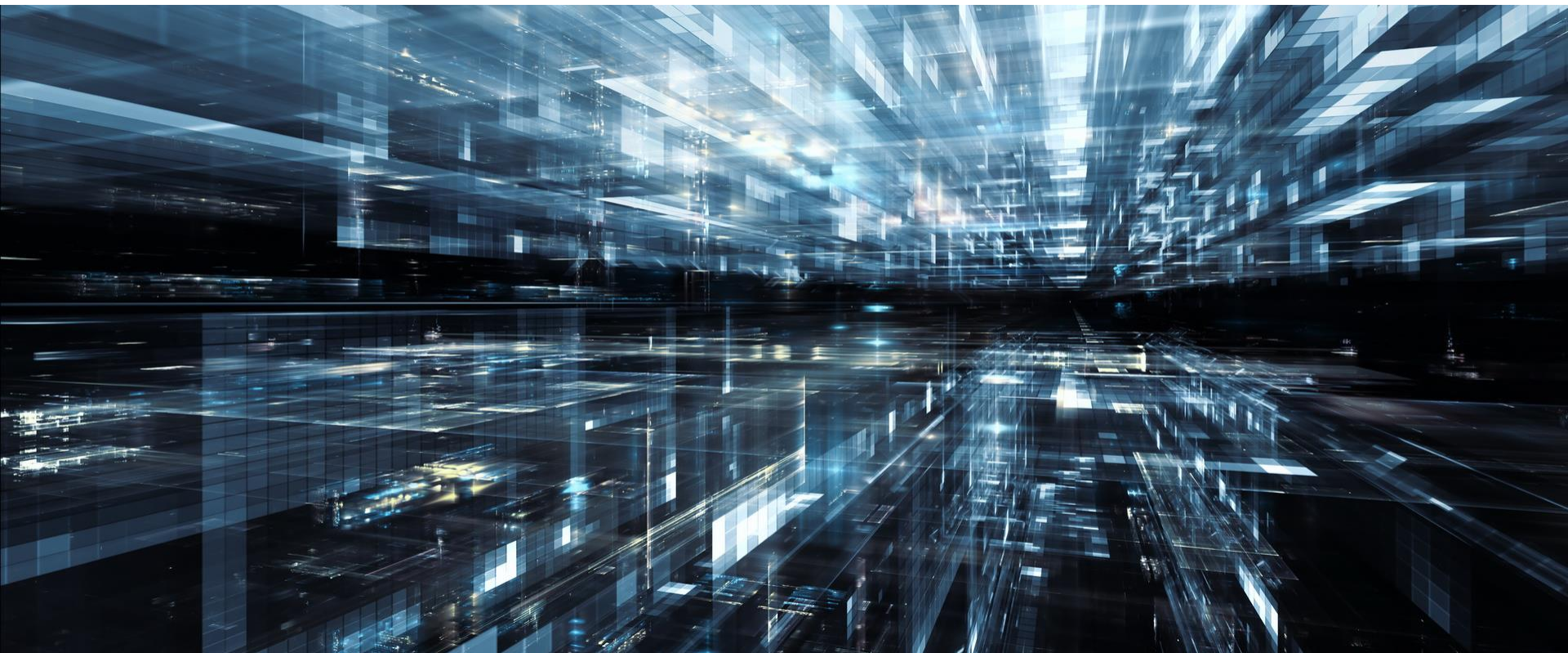


PEAKSTONE

www.peakstone.com



Technology and Software Industry Insight











August 2017

Technology and Software M&A Update

Technology and software categories continue to outperform the S&P 500 index

For the 2017 YTD period, Technology and Software transactions are on track with 2016 volume and are trading at significantly higher multiples compared to 2016

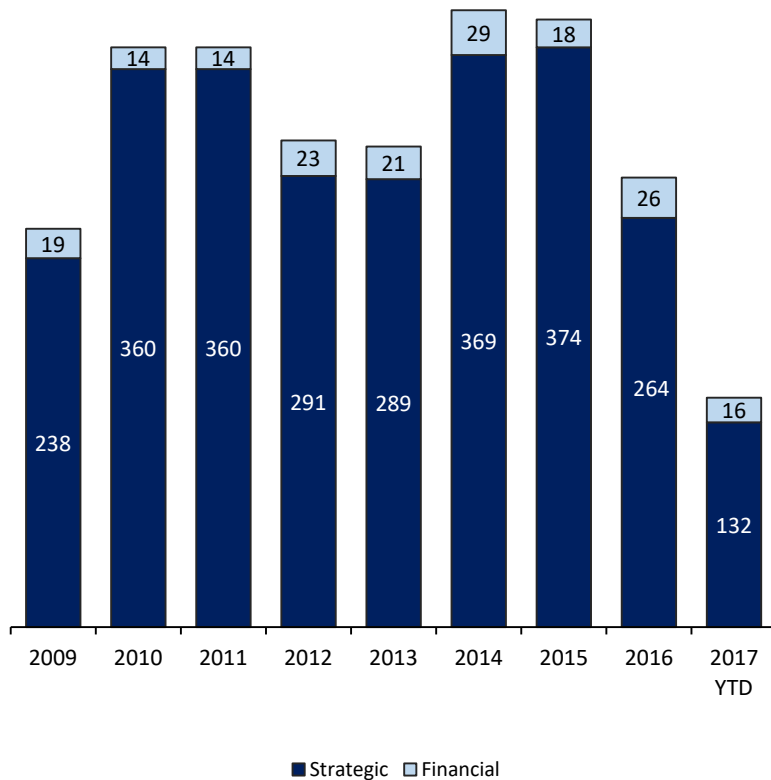
Select Recent Notable Publicly Announced M&A Transactions

Date	Status	Target	Transaction Size	Buyer
Jan-2017	Closed	APPDYNAMICS	\$4.03 billion	
Nov-2016	Closed		\$4.82 billion	
Sep-2016	Announced		\$8.73 billion	
Aug-2016	Closed		\$4.95 billion	Inception Parent, Inc.
Jul-2016	Closed		\$7.08 billion	
Jul-2016	Closed		\$4.48 billion	

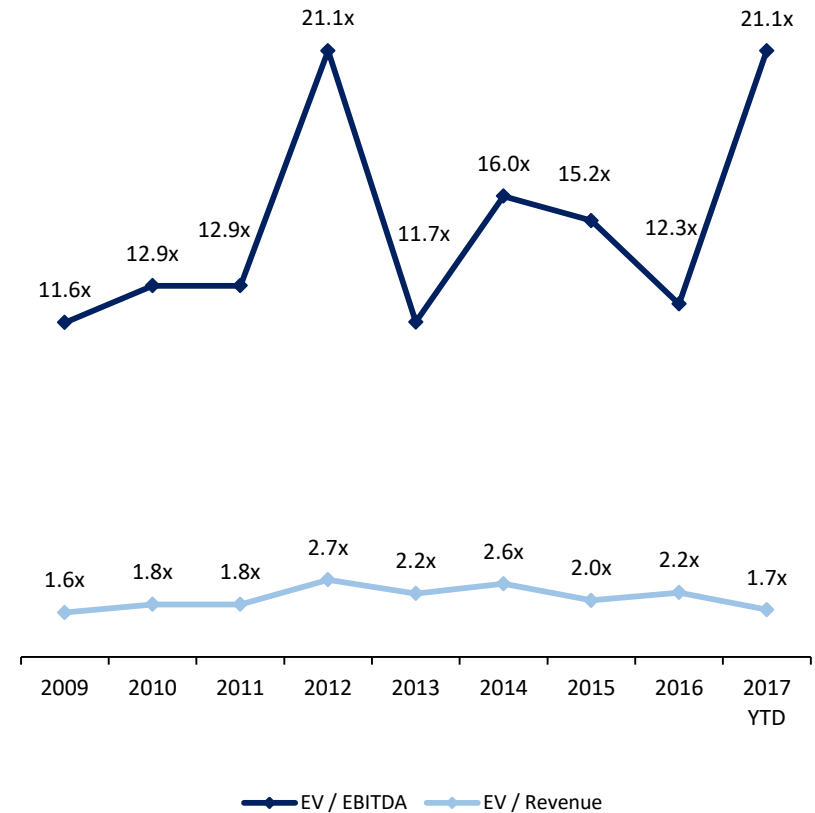
U.S. Technology and Software Industry – M&A Market Overview

U.S. Technology and Software transaction activity has been strong

U.S. Number of Transactions by Buyer Type



U.S. Transaction Multiples

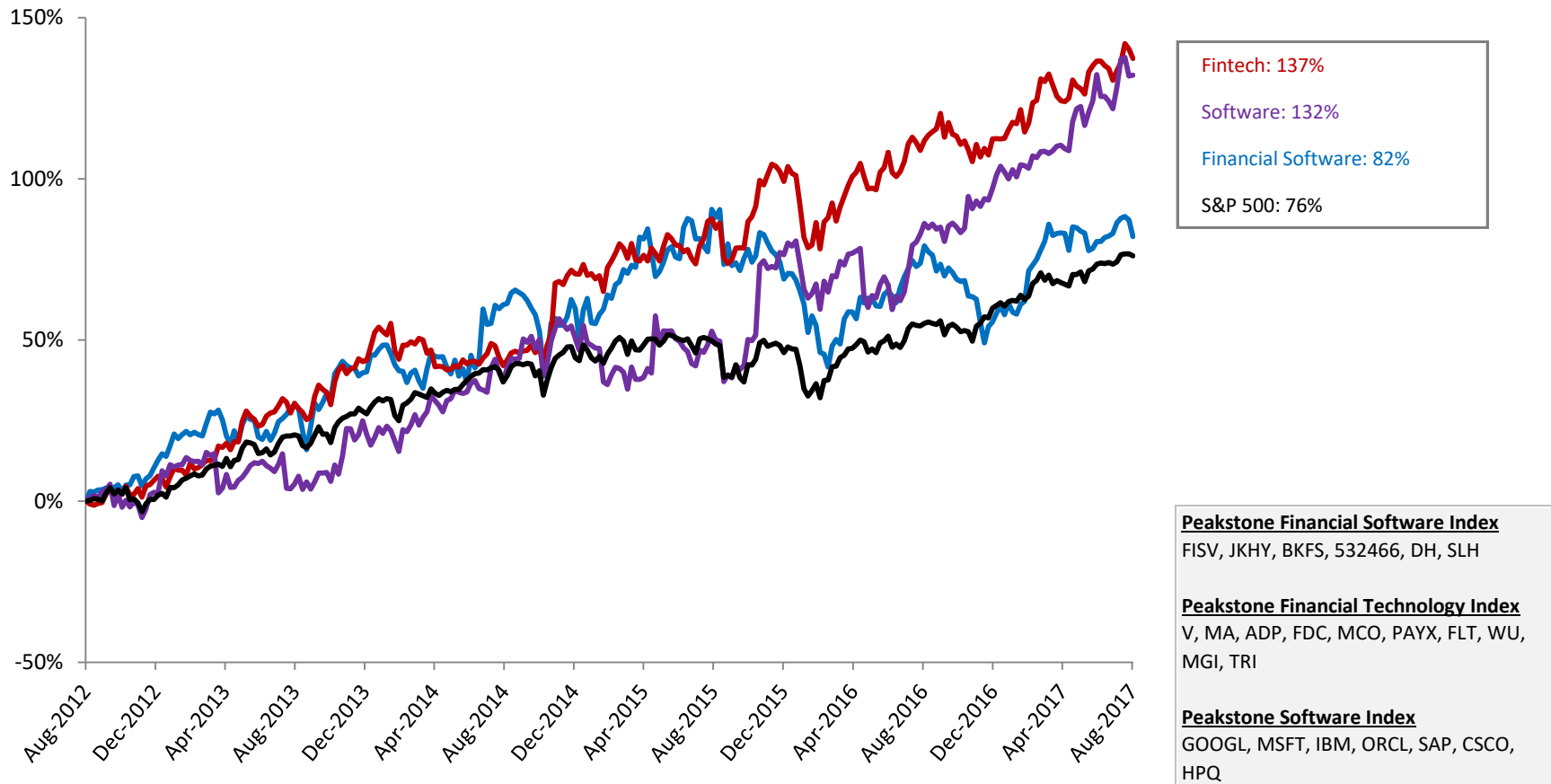


Source: Capital IQ.

Peakstone Technology and Software Index – Trading Statistics

Technology and Software categories performed favorably compared to the S&P 500

Relative Stock Performance – Group 1

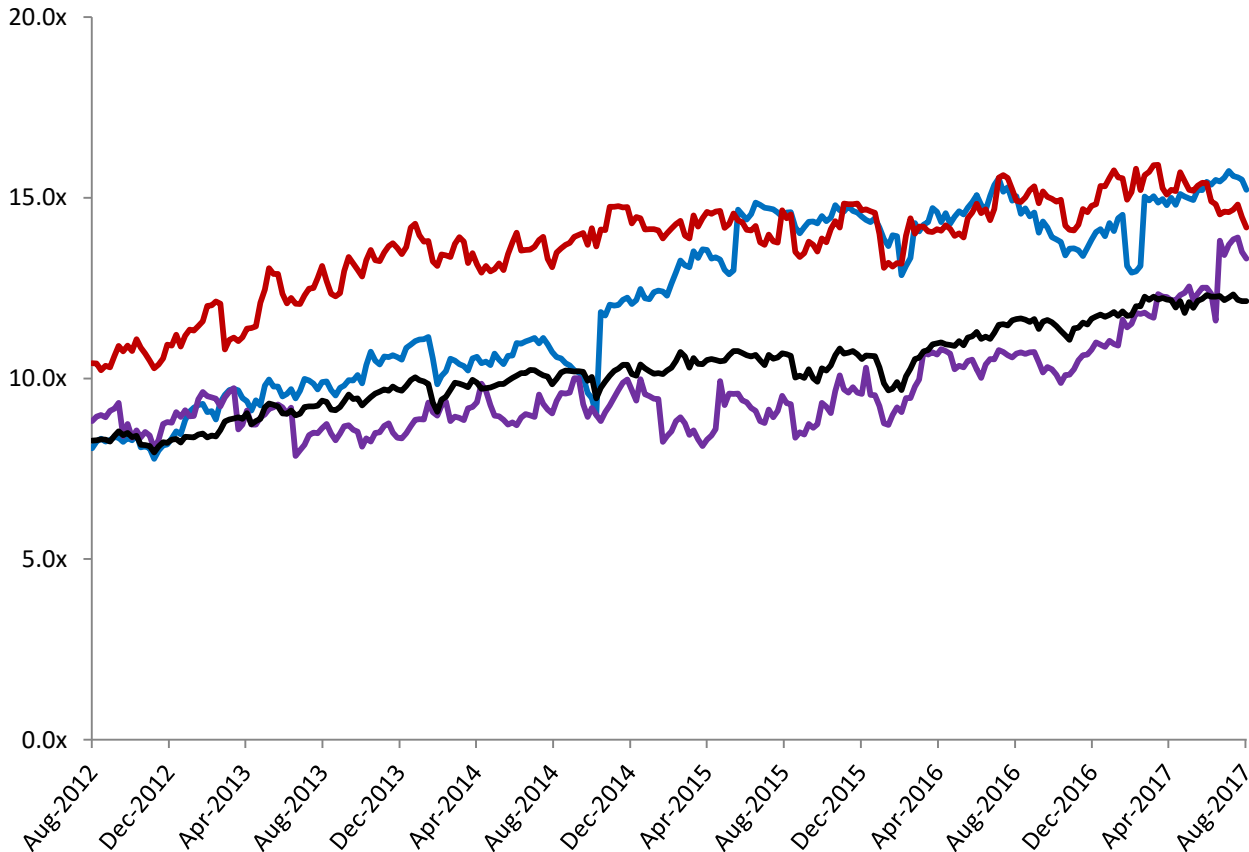


Source: Capital IQ, data as of 8/9/2017.
Note: Peakstone Indexes are equally weighted.

Peakstone Technology and Software Index – Trading Statistics

Technology and Software categories performed favorably compared to the S&P 500

Comparable Valuation Trends – Enterprise Value / EBITDA – Group 1



Financial Software: 15.2x
Fintech: 14.2x
Software: 13.3x
S&P 500: 12.1x

Peakstone Financial Software Index
FISV, JKHY, BKFS, 532466, DH, SLH

Peakstone Financial Technology Index
V, MA, ADP, FDC, MCO, PAYX, FLT, WU, MGI, TRI

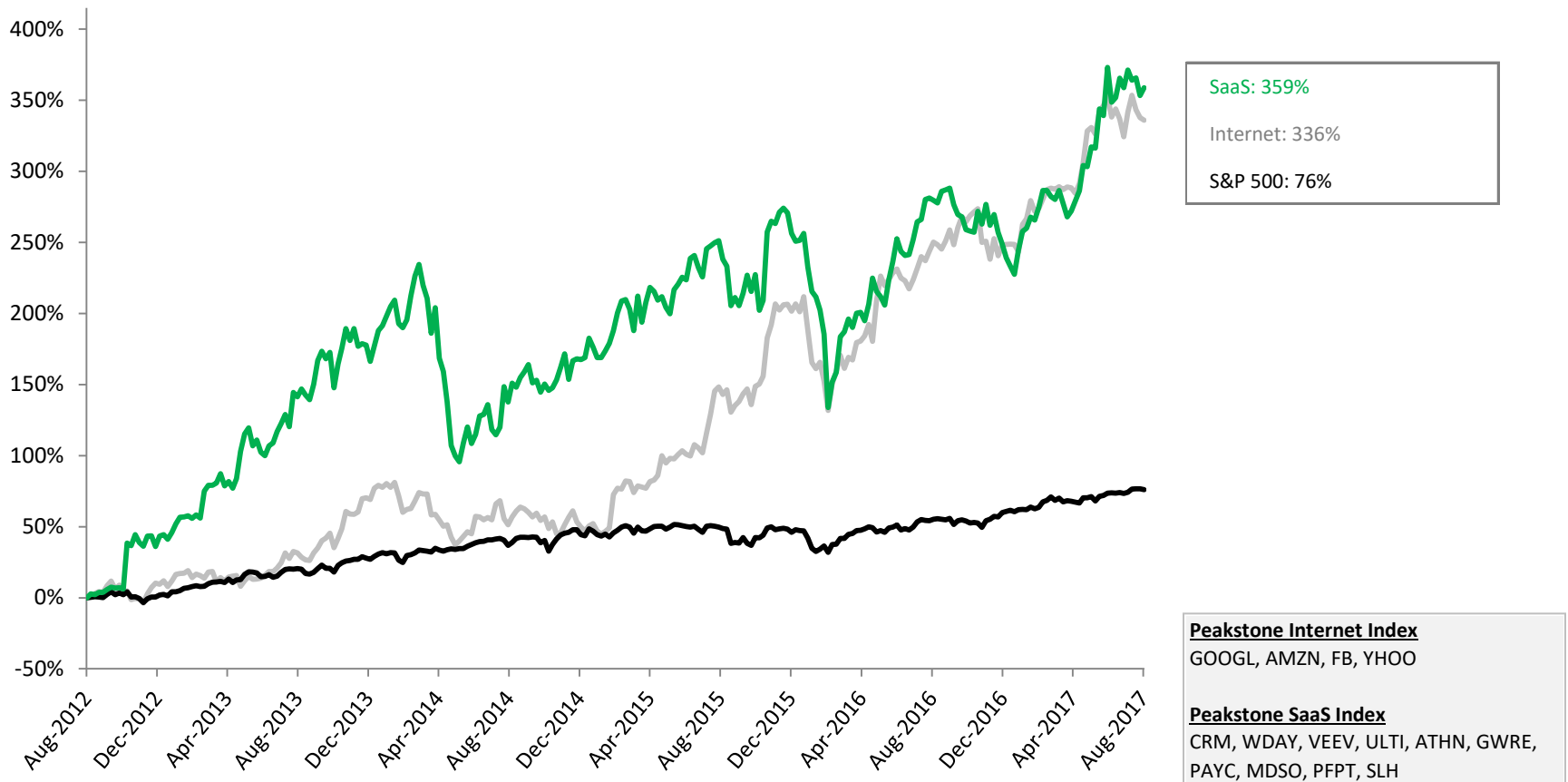
Peakstone Software Index
GOOGL, MSFT, IBM, ORCL, SAP, CSCO, HPQ

Source: Capital IQ, data as of 8/9/2017.
Note: Peakstone Indexes are equally weighted.

Peakstone Technology and Software Index – Trading Statistics

Internet and SaaS categories significantly outperformed the S&P 500 index

Relative Stock Performance – Group 2

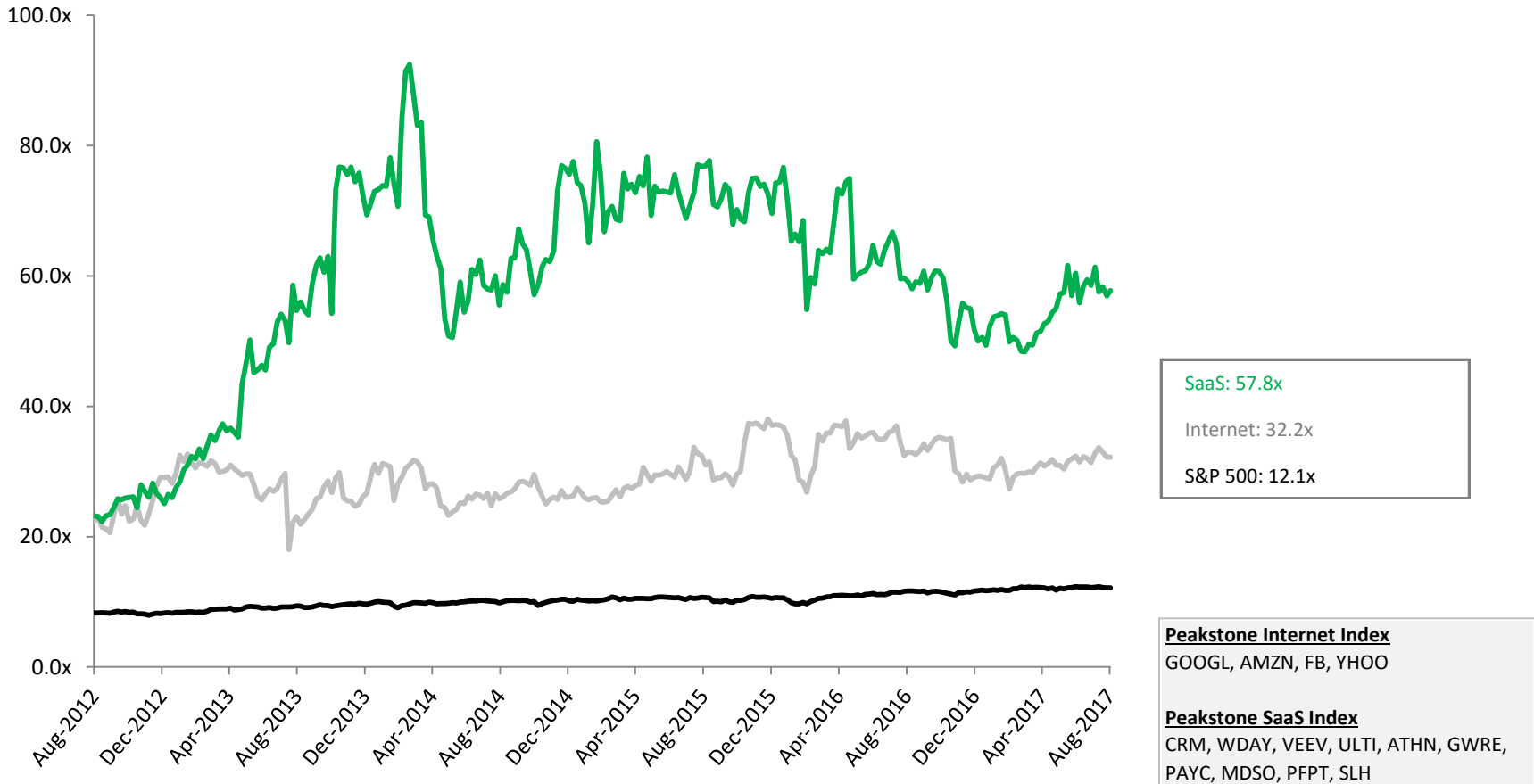


Source: Capital IQ, data as of 8/9/2017.
Note: Peakstone Indexes are equally weighted.

Peakstone Technology and Software Index – Trading Statistics

Internet and SaaS categories significantly outperformed the S&P 500 index

Comparable Valuation Trends – Enterprise Value / EBITDA – Group 2



Source: Capital IQ, data as of 8/9/2017.
Note: Peakstone Indexes are equally weighted.

Public Trading Comparables by Sector

Select Technology and Software Public Trading Comparables

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Financial Software								
Fiserv, Inc.	\$26,009	\$30,451	5.4x	17.1x	20.3x	22.8x	46%	31%
Jack Henry & Associates Inc.	\$8,276	\$8,283	5.9x	16.4x	22.6x	32.5x	43%	36%
Black Knight Financial Services, Inc.	\$2,833	\$5,364	5.1x	15.0x	21.2x	27.7x	45%	34%
Oracle Financial Services Software Ltd.	\$4,749	\$4,196	6.0x	15.4x	16.1x	21.7x	53%	39%
Solera Holdings Inc.	\$772	\$1,783	0.7x	8.6x	13.8x	0.0x	16%	9%
DH Corporation	\$412	\$438	1.4x	12.2x	18.9x	24.0x	23%	12%
Financial Software Median	\$3,791	\$4,780	5.3x	15.2x	19.6x	23.4x	44%	33%
Financial Technology								
Visa, Inc.	\$231,604	\$242,830	13.7x	20.0x	20.4x	26.7x	97%	68%
Master Card, Inc.	\$138,266	\$136,729	12.0x	20.7x	22.0x	27.5x	100%	58%
Automatic Data Processing, Inc.	\$48,219	\$47,438	3.8x	17.4x	19.7x	28.2x	43%	22%
First Data Corp.	\$16,660	\$37,439	4.7x	12.4x	18.5x	11.2x	60%	35%
Moody's Corp.	\$24,391	\$26,123	6.8x	14.1x	15.2x	23.0x	72%	48%
Paychex, Inc.	\$19,781	\$19,458	6.2x	14.2x	15.7x	23.2x	71%	43%
FleetCor Technologies, Inc.	\$13,084	\$16,358	7.9x	16.4x	21.2x	16.0x	75%	51%
Western Union Co.	\$8,955	\$11,519	2.1x	8.5x	10.6x	10.8x	39%	25%
MoneyGram International, Inc	\$859	\$1,626	1.0x	7.2x	16.4x	15.7x	52%	14%
Thomson Reuters Corp.	\$348	\$356	1.5x	13.2x	15.5x	17.4x	31%	11%
Financial Technology Median	\$18,220	\$22,790	5.5x	14.2x	17.5x	20.2x	65%	39%
Internet								
Alphabet Inc.	\$648,159	\$557,401	5.6x	17.3x	21.6x	25.0x	60%	32%
Amazon.com, Inc.	\$475,499	\$477,667	3.2x	38.9x	138.6x	172.7x	36%	8%
Facebook, Inc.	\$497,286	\$461,834	13.9x	25.5x	29.8x	28.6x	87%	55%
Yahoo! Inc.	\$57,419	\$51,857	9.6x	79.0x	200.8x	0.0x	45%	5%
Internet Median	\$486,392	\$469,750	7.6x	32.2x	84.2x	26.8x	53%	20%

Source: Capital IQ, data as of 8/9/2017.

Public Trading Comparables by Sector (continued)

Select Technology and Software Public Trading Comparables

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Software								
Alphabet Inc.	\$648,159	\$557,401	5.6x	17.3x	21.6x	25.0x	60%	32%
Microsoft Corporation	\$560,646	\$520,243	5.8x	17.1x	23.0x	22.5x	62%	34%
Oracle Corporation	\$203,111	\$195,328	5.2x	13.3x	14.7x	16.6x	58%	39%
IBM Corporation	\$132,438	\$165,942	2.1x	9.7x	13.0x	10.2x	46%	22%
SAP SE	\$127,735	\$129,695	4.8x	19.1x	22.7x	20.9x	70%	25%
Cisco Systems, Inc.	\$158,352	\$122,848	2.5x	8.2x	9.4x	13.1x	63%	31%
Hewlett-Packard Company	\$32,522	\$33,122	0.7x	7.7x	8.4x	11.4x	18%	9%
Software Median	\$158,352	\$165,942	4.8x	13.3x	14.7x	16.6x	60%	31%
SaaS								
salesforce.com, inc.	\$64,205	\$63,521	7.2x	141.5x	NM	64.8x	73%	5%
Workday, Inc.	\$20,930	\$19,355	11.4x	NM	NM	159.2x	70%	-14%
Veeva Systems Inc.	\$8,781	\$8,117	13.9x	57.4x	63.7x	74.3x	69%	24%
athenahealth, Inc.	\$5,670	\$5,879	5.1x	46.0x	112.6x	68.1x	52%	11%
The Ultimate Software Group, Inc.	\$5,836	\$5,735	6.7x	89.9x	169.1x	50.8x	62%	7%
Guidewire Software, Inc.	\$5,212	\$4,735	10.0x	186.8x	NM	81.8x	63%	5%
Medidata Solutions, Inc.	\$4,561	\$4,464	8.8x	58.1x	76.4x	58.2x	76%	15%
Paycom Software, Inc.	\$4,164	\$4,131	10.8x	55.9x	67.7x	54.2x	85%	19%
Proofpoint, Inc.	\$3,860	\$3,808	8.6x	NM	NM	114.6x	72%	-7%
Solera Holdings Inc.	\$772	\$1,783	0.7x	8.6x	13.8x	NM	16%	9%
SaaS Median	\$5,441	\$5,235	8.7x	57.8x	72.1x	68.1x	69%	8%
Technology and Software Total Median	\$11,831	\$14,013	5.4x	14.7x	18.5x	21.8x	56%	26%

Source: Capital IQ, data as of 8/9/2017.

Selected Technology and Software Industry Transactions

Selected Technology and Software Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
08/08/2017	BAM Technologies, LLC	\$1,580	The Walt Disney Company (NYSE:DIS)	-	The Walt Disney Company (NYSE:DIS) entered into an agreement to acquire an incremental 42% interest in BAM Technologies, LLC for approximately \$1.6 billion on August 8, 2017.
08/03/2017	ACTIVE Network, The Communities and Sports Divisions	\$1,200	Global Payments Inc. (NYSE:GPN)	-	Global Payments Inc. (NYSE:GPN) agreed to acquire the communities and sports divisions from Active Network, LLC for \$1.2 billion on August 2, 2017.
07/25/2017	Intacct Corporation	\$850	The Sage Group plc (LSE:SGE)	-	The Sage Group plc (LSE:SGE) agreed to acquire Intacct Corporation from Hummer Winblad Venture Partners, Split Rock Partners, LLC and others for \$850 million on July 25, 2017.
07/24/2017	webmd health corp. (nasdaq:wbmd)	\$3,651	Internet brands, inc.	14.4x	internet brands, inc. entered into a definitive agreement to acquire webmd health corp. (nasdaq:wbmd) for \$2.5 billion on July 24, 2017.
07/06/2017	Syncsort incorporated	\$1,260	Centerbridge partners, I.P.	-	centerbridge partners, I.p. entered into a definitive agreement to acquire majority stake in syncsort incorporated from clearlake capital group, I.p. for \$1.3 billion on July 6, 2017.
07/03/2017	bankrate, inc. (nyse:rate)	\$1,622	red ventures holdco, Ip	15.0x	red ventures holdco, Ip ('red ventures') entered into a definitive agreement to acquire bankrate, inc. (nyse:rate) from apa excelsior vii, I.p., fund of apax partners and other shareholders for \$1.3 billion on July 2, 2017.
06/23/2017	synchronoss technologies, inc. (nasdaq:sncr)	\$1,068	siris capital group, llc	18.2x	siris capital group, llc made an offer to acquire remaining 87.1% stake in synchronoss technologies, inc. (nasdaq:sncr) for approximately \$750 million on June 22, 2017. as per the terms of the offer, sncr shareholders will receive \$18 per share.

Source: Capital IQ.

Selected Technology and Software Industry Transactions (cont.)

Selected Technology and Software Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
06/13/2017	viawest, inc.	\$1,675	Peak 10 holding corporation	-	Roper Technologies, Inc. (NYSE:ROP) entered into a definitive agreement to acquire Deltek, Inc. from Prospect Capital Corporation (NasdaqGS:PSEC), managed by Prospect Capital Management L.P., Thoma Bravo, LLC, and others for \$2.8 billion on December 6, 2016.
05/03/2017	Kofax limited	\$1,350	thoma bravo, llc	-	thoma bravo, llc entered into a definitive agreement to acquire kofax limited from lexmark international, inc. for \$1.4 billion on may 3, 2017.
04/03/2017	telvent dtn, llc	\$900	Tbg Ag	-	tbg ag signed an agreement to acquire telvent dtn, llc from schneider electric s.e. (enxtpa:su) for an enterprise value of approximately \$900 million on april 3, 2017. as on december 31, 2016, telvent dtn recorded revenues of \$213 million.
03/14/2017	moneygram international, inc. (nasdaqgs:mgi)	\$1,929	euronet worldwide, inc. (nasdaqgs:eefc)	8.0x	Siemens Industry, Inc. entered into an agreement to acquire Mentor Graphics Corp. (NasdaqGS:MENT) from Elliott Associates, L.P. and Elliott International, L.P., funds managed by Elliott Management Corporation and others for \$4.2 billion on November 12, 2016.
01/26/2017	moneygram international, inc. (nasdaqgs:mgi)	\$1,987	alipay (uk) limited	8.5x	alipay uk ltd. ('alipay') entered into a definitive agreement to acquire moneygram international, inc. for approximately \$760 million on january 26, 2017.
01/24/2017	appdynamics, inc.	\$4,033	cisco systems, inc. (nasdaqgs:cSCO)	-	cisco systems, inc. (nasdaqgs:cSCO) agreed to acquire appdynamics, inc. for \$3.7 billion on january 24, 2017. under the terms of the agreement, cisco paid approximately \$3.7 billion in cash and assumed equity awards.
12/14/2016	neustar, inc. (nyse:nsr)	\$2,942	gic special investments pte. ltd.; golden gate private equity, inc	6.9x	golden gate private equity, inc and gic special investments pte. ltd. entered into a definitive agreement to acquire neustar, inc. (nyse:nsr) for \$2 billion on december 14, 2016.

Source: Capital IQ.

Selected Technology and Software Industry Transactions (cont.)

Selected Technology and Software Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
12/07/2016	fidelity national information services inc, sungard public sector and education businesses	\$850	vista equity partners llc; powerschool group llc	-	vista equity partners fund vi, l.p. of vista equity partners and powerschool group llc signed a definitive agreement to acquire sungard public sector and education businesses for \$850 million on december 7, 2016.
12/06/2016	intralinks holdings, inc.	\$903	synchronoss technologies, inc. (nasdaq:sncr)	42.8x	salesforce.com, inc. (NYSE:CRM) entered into an agreement to acquire Krux Digital Inc. for approximately \$770 million on October 3, 2016.
12/06/2016	Deltek, inc.	\$2,800	roper technologies, inc. (nyse:rop)	-	roper technologies, inc. (nyse:rop) entered into a definitive agreement to acquire deltek, inc. for \$2.8 billion on december 6, 2016.
12/06/2016	verizon communications inc., portfolio of 24 data center sites	\$3,600	equinix, inc. (nasdaq:eqix)	-	equinix, inc. (nasdaq:eqix) signed a definitive agreement to acquire portfolio of 24 data center sites from verizon communications inc. (nyse:vz) for \$3.6 billion in cash on december 6, 2016. the consideration is subject to certain adjustments.
11/16/2016	Infor, inc.	\$2,000	koch equity development, llc	-	koch equity development, llc agreed to acquire a stake in infor, inc. for \$2 billion on november 16, 2016.
11/14/2016	Mentor graphics corporation	\$4,821	Siemens industry, inc.	24.8x	siemens industry, inc. entered into an agreement to acquire mentor graphics corp. (nasdaq:ment) for \$4.2 billion on november 12, 2016.
11/14/2016	servicemax, inc.	\$915	ge digital llc	-	ge digital llc agreed to acquire servicemax, inc. for approximately \$920 million on november 14, 2016. the transaction is subject to the regulatory approvals and customary closing conditions.

Source: Capital IQ.

Selected Technology and Software Industry Transactions (cont.)

Selected Technology and Software Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
11/07/2016	earthlink holdings corp.	\$1,120	windstream holdings, inc. (nasdaq:win)	5.1x	windstream holdings, inc. (nasdaq:win) entered into an agreement and plan of merger to acquire earthlink holdings corp. (nasdaq:elnk) for approximately \$670 million on november 5, 2016.
11/04/2016	centurylink, inc., data centers and colocation business	\$2,277	bc partners; longview asset management, llc; medina capital advisors, llc	-	bc partners, medina capital advisors, llc and longview asset management, llc entered into a definitive agreement to acquire data centers and colocation business from centurylink, inc. (nyse:ctl) for \$2.3 billion on november 3, 2016.
10/24/2016	Masergy communications, inc.	\$900	berkshire partners llc	-	berkshire partners llc entered into a definitive agreement to acquire a majority stake in masergy communications, inc. from abry partners, llc on october 24, 2016.
10/03/2016	Krux digital inc.	\$768	salesforce.com, inc. (nyse:crm)	-	salesforce.com, inc. (nyse:crm) entered into an agreement to acquire krux digital inc. for approximately \$770 million on october 3, 2016.
09/26/2016	aplovin corporation	\$1,420	Orient hontai capital	-	orient hontai capital entered into a definitive agreement to acquire a majority stake in aplovin corporation for \$1.4 billion on september 26, 2016.
09/19/2016	Infoblox inc.	\$1,508	vista equity partners llc	-	vista equity partners fund vi, l.p. of vista equity partners entered into a definitive agreement to acquire infoblox inc. (nyse:blox) for \$1.5 billion on september 16, 2016.
09/12/2016	Enterprise content division	\$1,620	open text corporation (nasdaq:otex)	-	open text corporation (nasdaq:otex) entered into a definitive agreement to acquire enterprise content division from dell emc, emc (benelux) b.v. and emc international co. for \$1.6 billion on september 12, 2016.

Source: Capital IQ.

Peakstone Momentum

 <p>SOUTHERN IMPERIAL MerchandisingSM OLYMPUS PARTNERS</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Fairrington For Full Impact Logistics</p> <p>LSC COMMUNICATIONS</p> <p>M&A Advisor PEAKSTONE</p>	 <p>LG Medical Technologies, Inc. INSIGHT IMAGING</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Automotive Assurance Group</p> <p>AmTrust</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Alden & Ott Printing Inc.</p> <p>huber group</p> <p>M&A Advisor PEAKSTONE</p>	 <p>TSI Service Logic Building Efficiency and Sustainability</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Persio</p> <p>clutch</p> <p>M&A Advisor PEAKSTONE</p>
 <p>NitroFill Kinderhook INDUSTRIES</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Brett EQUIPMENT</p> <p>SOGID Capital</p> <p>M&A Advisor PEAKSTONE</p>	 <p>LUPF Services Integrated Lending, Servicing & Default Solutions</p> <p>CHRONOS SOLUTIONS</p> <p>Financing Advisor PEAKSTONE</p>	 <p>HA LOGISTICS, INC.</p> <p>AFN The Best Way Every DaySM</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Pepperjax Grill FRONTS, PHILLIES & MORE</p> <p>TA Associates</p> <p>M&A Advisor PEAKSTONE</p>	 <p>CLEARBROOK FARMS</p> <p>GLENCOE</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Petstages</p> <p>outward hound RIVERSIDE</p> <p>Riverside</p> <p>M&A Advisor PEAKSTONE</p>
 <p>simply color lab</p> <p>shoot</p> <p>M&A Advisor PEAKSTONE</p>	 <p>ACQUIRE AUTOMATION</p> <p>CES</p> <p>RED OAK GROWTH PARTNERS</p> <p>M&A Advisor PEAKSTONE</p>	 <p>HAZEN transport group</p> <p>Dynamex</p> <p>TransForce</p> <p>M&A Advisor PEAKSTONE</p>	 <p>REALTRUCK PICKUP VAN SUV ACCESSORIES</p> <p>THI America's Best Selling Truck Accessories</p> <p>TA ASSOCIATES</p> <p>M&A Advisor PEAKSTONE</p>	 <p>COMFORT.com UNMATCHED EXPERTISE</p> <p>PED POWER EQUIPMENT DIRECT</p> <p>FERGUSON</p> <p>M&A Advisor PEAKSTONE</p>	 <p>PRECISION SPINE</p> <p>CREDIT PARTNERS</p> <p>Financial Advisor PEAKSTONE</p>	 <p>BIONIC</p> <p>outward hound FROM THE HEART</p> <p>Riverside</p> <p>M&A Advisor PEAKSTONE</p>
 <p>ANDERSON MACHINING SERVICE</p> <p>BASIN HOLDINGS</p> <p>M&A Advisor PEAKSTONE</p>	 <p>TECHNOMIC</p> <p>Winsight</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Ashford</p> <p>PRUDENTIAL CAPITAL PARTNERS</p> <p>Financial Advisor PEAKSTONE</p>	 <p>pivotal</p> <p>Lifeline USA</p> <p>RLJ Credit Opportunity Fund</p> <p>M&A Advisor PEAKSTONE</p>	 <p>food evolution</p> <p>AKOYA</p> <p>BALANCE POINT CAPITAL PARTNERS</p> <p>PLEXUS CAPITAL</p> <p>M&A Advisor PEAKSTONE</p>	 <p>saco</p> <p>saco foods inc.</p> <p>M&A Advisor PEAKSTONE</p>	 <p>DURO BAG MACHINERY</p> <p>H2 HILEX</p> <p>WIND POINT PARTNERS</p> <p>M&A Advisor PEAKSTONE</p>

Recent Financial and Technology Transactions

 <p>M&A Advisor PEAKSTONE</p>	<p>ITEMMASTER® Every brand. Everywhere.</p> <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>
<p>Tech-Enabled Financial Services</p> <p>Pending</p> <p>M&A Advisor PEAKSTONE</p>	<p>Rosenberg & Associates</p>  <p>M&A Advisor PEAKSTONE</p>	<p>Niche Receivables Servicing</p> <p>Pending</p> <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	<p>Automotive Warranty Servicing</p> <p>Pending</p> <p>M&A Advisor PEAKSTONE</p>
 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>

Contact Us

About Peakstone

Peakstone is an investment bank that specializes in mergers and acquisitions advisory and capital raising for middle market clients. Our team is comprised of senior investment banking professionals who have decades of experience and have executed hundreds of transactions totaling billions of dollars. For additional information, visit www.peakstone.com.

Contact

Alex Fridman

Managing Director

alex@peakstone.com

312-204-7300

Calvin Ye

Analyst

cye@peakstone.com

312-262-7734