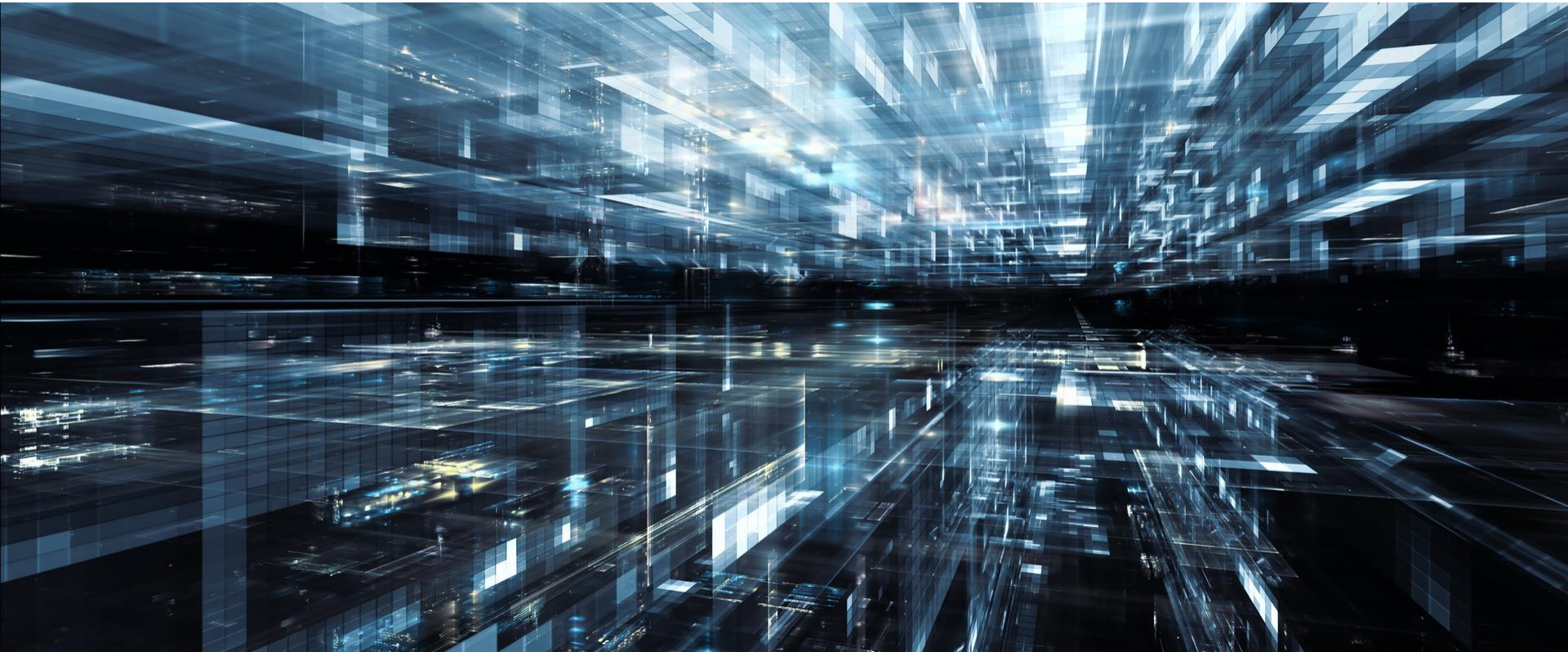


PEAKSTONE

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Technology and Software Industry Insight











October 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

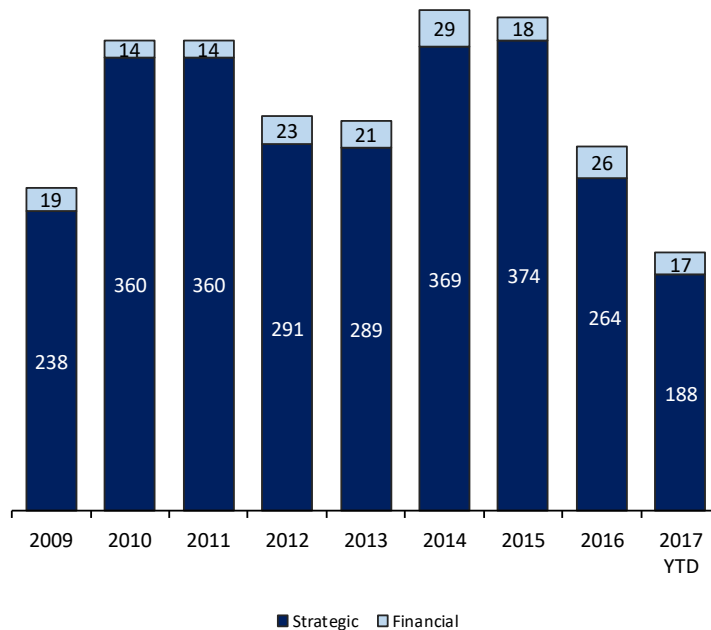
Select Recent Notable Publicly Announced M&A Transactions

Date	Status	Target	Transaction Size	Buyer
Oct-2017	Announced	 broadsoft	\$2.28 billion	 CISCO
Jul-2017	Announced	 WebMD	\$3.65 billion	 Internet Brands
Jan-2017	Closed	APPDYNAMICS	\$4.03 billion	 CISCO
Nov-2016	Announced	 Mentor Graphics	\$4.82 billion	 SIEMENS
Sep-2016	Closed	 Hewlett Packard Enterprise	\$8.73 billion	 MICRO FOCUS
Aug-2016	Closed	 rackspace	\$4.95 billion	Inception Parent, Inc.

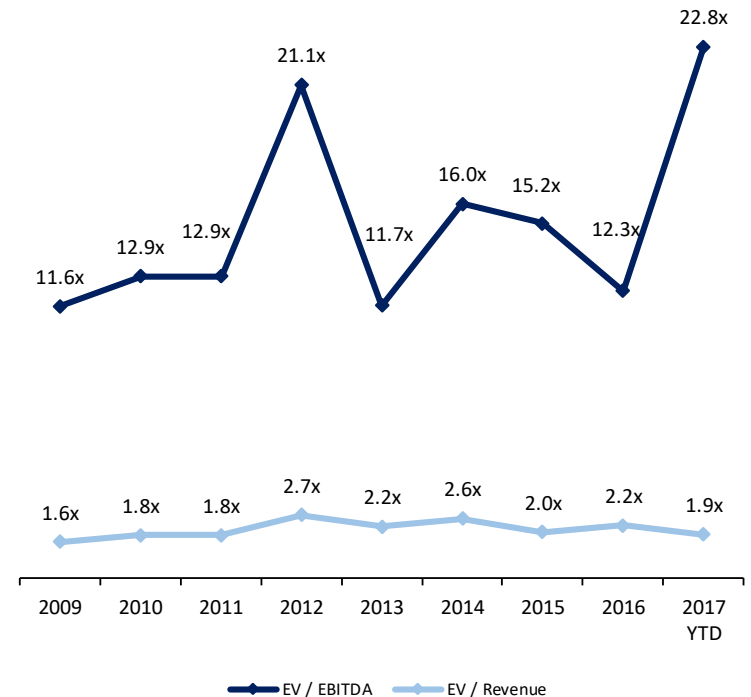
U.S. Technology and Software Industry – M&A Market Overview

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

U.S. Number of Transactions by Buyer Type



U.S. Transaction Multiples

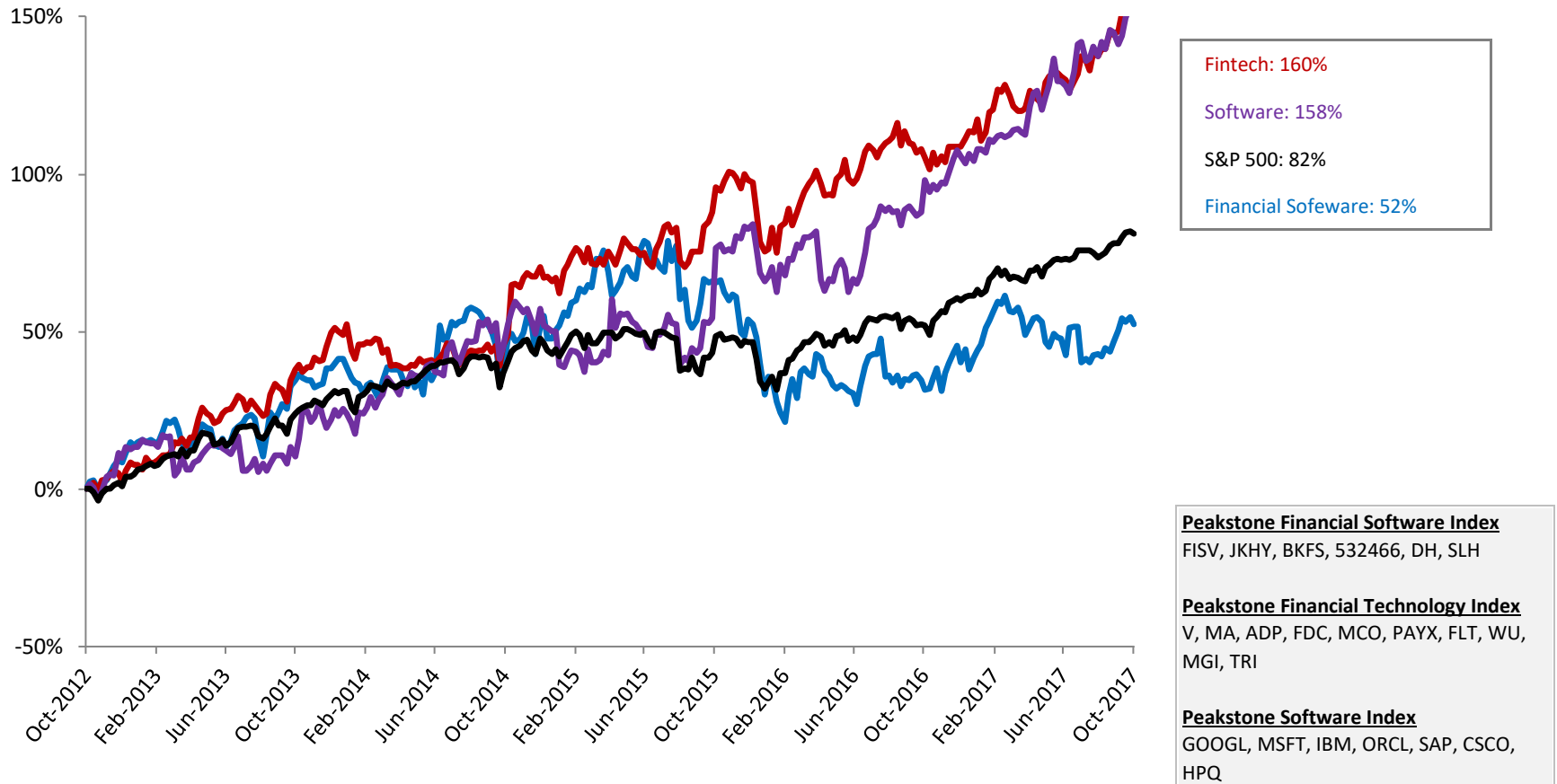


Source: Capital IQ.

Peakstone Technology and Software Index – Trading Statistics

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

Relative Stock Performance – Group 1

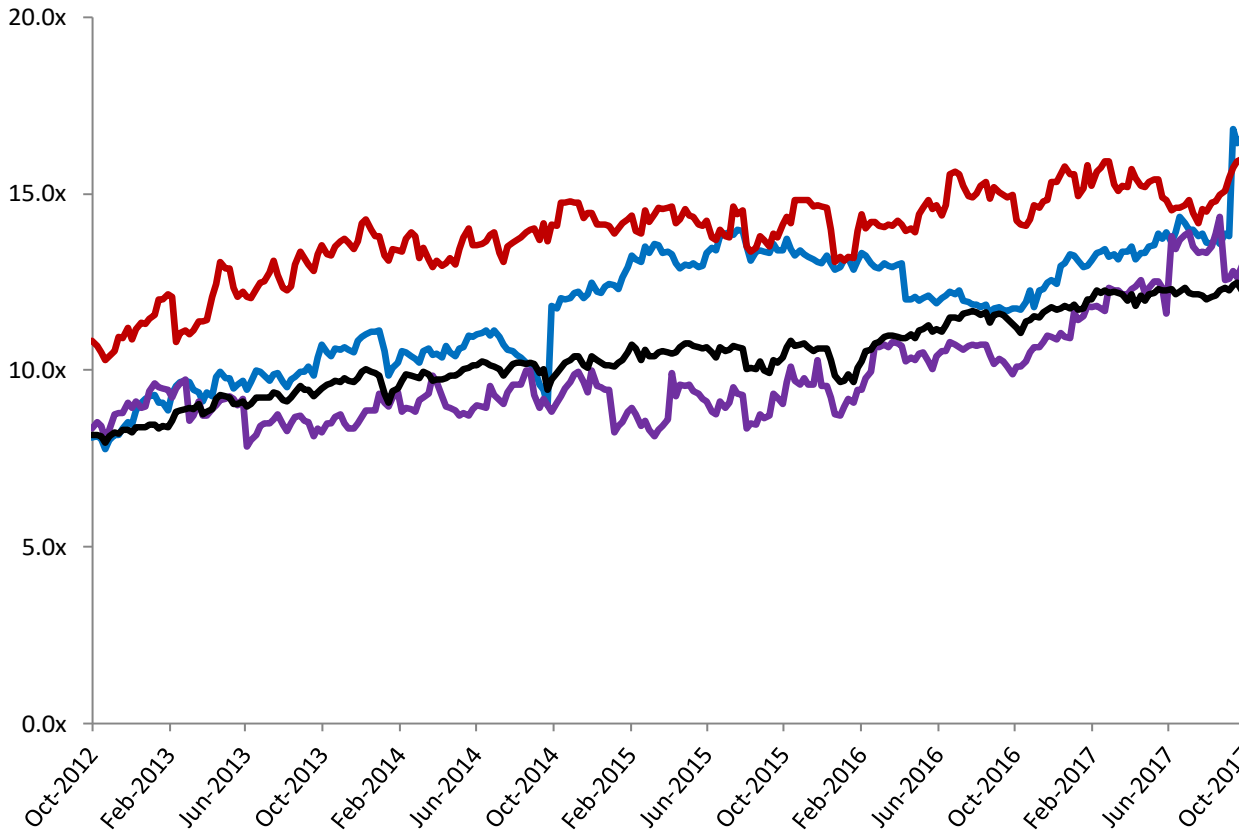


Source: Capital IQ, data as of 10/25/2017.
Note: Peakstone Indexes are equally weighted.

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: 16.6x
Fintech: 16.2x
Software: 13.1x
S&P 500: 12.2x

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

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

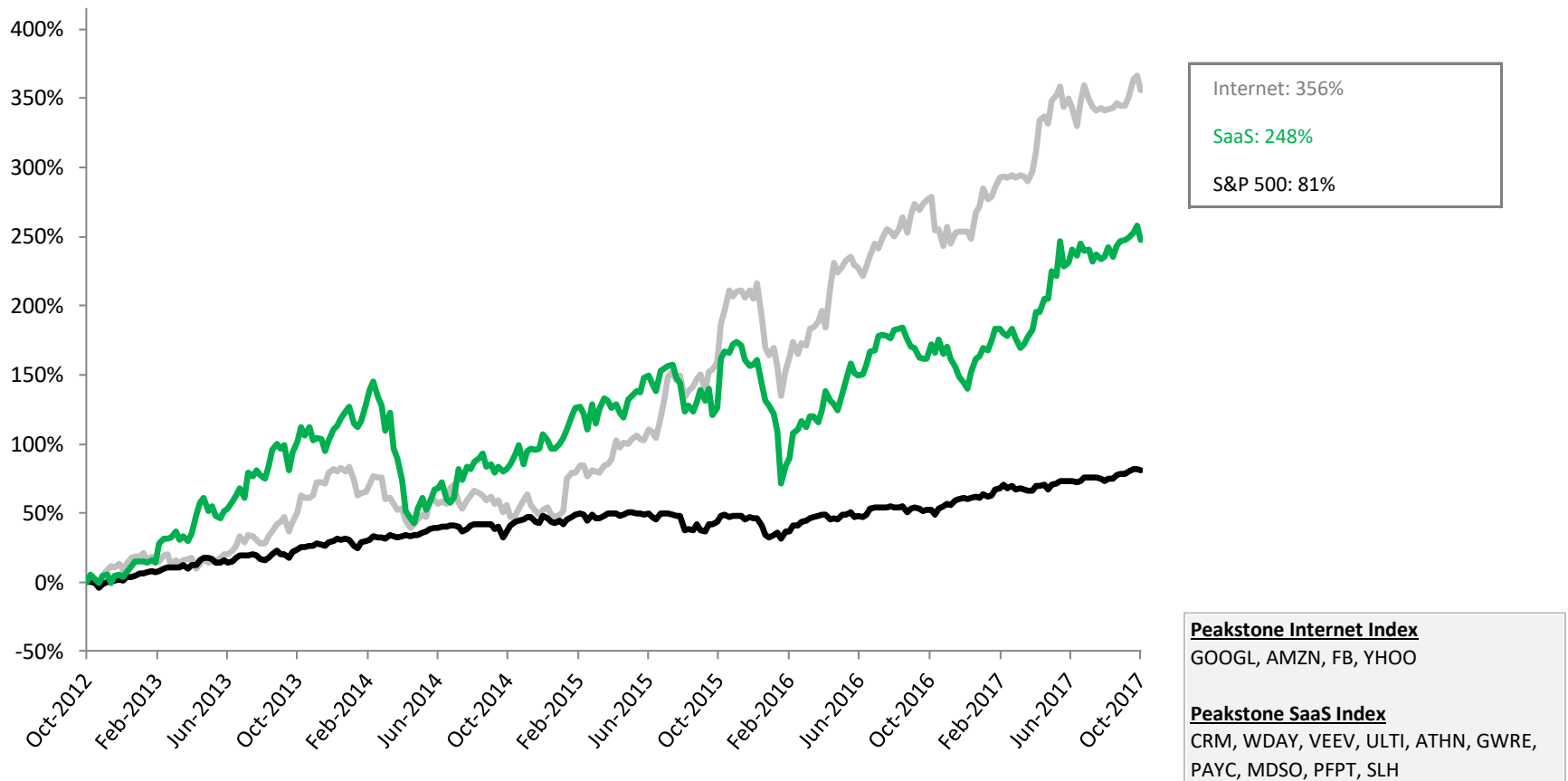
Peakstone Software Index
GOOGL, MSFT, IBM, ORCL, SAP, CSCO, HPQ

Source: Capital IQ, data as of 10/25/2017.
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

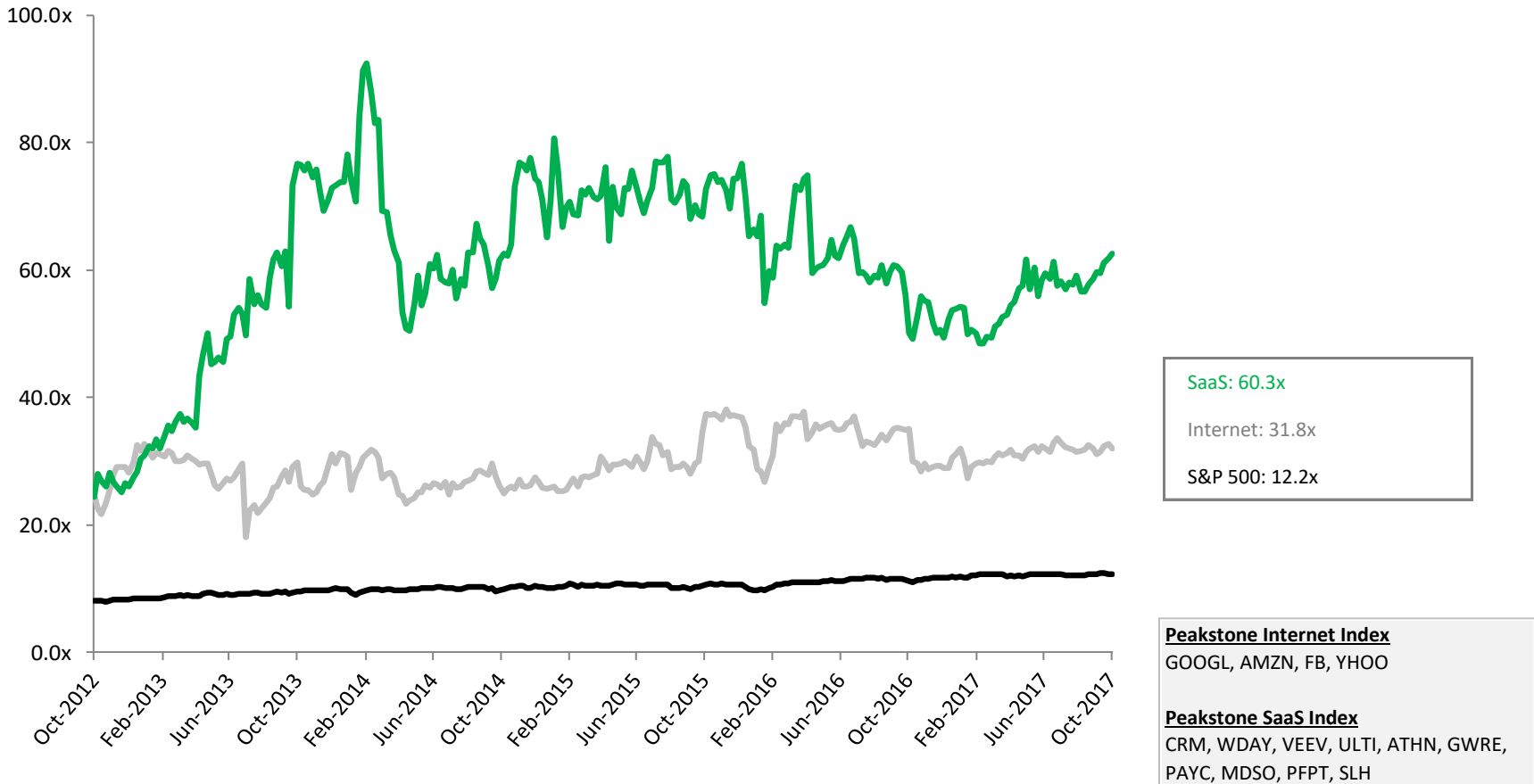


Source: Capital IQ, data as of 10/25/2017.
Note: Peakstone Indexes are equally weighted.

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 10/25/2017.
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.	\$26,984	\$31,426	5.6x	17.7x	21.0x	23.6x	46%	31%
Black Knight Financial Services, Inc.	\$6,899	\$9,430	9.0x	26.4x	37.2x	0.0x	45%	34%
Jack Henry & Associates Inc.	\$8,257	\$8,192	5.7x	18.3x	22.3x	32.5x	43%	31%
Oracle Financial Services Software Ltd.	\$4,631	\$4,246	6.2x	15.4x	16.0x	21.1x	54%	40%
Solera Holdings Inc.	\$1,064	\$2,059	0.8x	11.4x	20.1x	0.0x	15%	7%
DH Corporation	\$386	\$411	1.4x	11.8x	18.3x	23.2x	23%	12%
Financial Software Median	\$5,765	\$6,219	5.7x	16.6x	20.5x	22.1x	44%	31%
Financial Technology								
Visa, Inc.	\$247,908	\$259,134	14.2x	20.2x	21.1x	27.1x	97%	70%
Master Card, Inc.	\$155,262	\$153,725	13.5x	23.3x	24.8x	30.4x	100%	58%
Automatic Data Processing, Inc.	\$51,757	\$50,976	4.1x	18.7x	21.2x	30.5x	43%	22%
First Data Corp.	\$17,444	\$38,223	4.8x	12.6x	18.9x	11.5x	60%	35%
Moody's Corp.	\$28,077	\$29,809	7.7x	16.0x	17.2x	24.9x	72%	48%
Paychex, Inc.	\$22,954	\$22,643	7.1x	16.3x	18.0x	26.5x	71%	44%
FleetCor Technologies, Inc.	\$15,053	\$18,326	8.9x	17.2x	21.9x	18.4x	77%	54%
Western Union Co.	\$9,326	\$11,890	2.2x	8.8x	10.9x	11.1x	39%	25%
MoneyGram International, Inc	\$858	\$1,624	1.0x	7.2x	16.4x	15.0x	52%	14%
Thomson Reuters Corp.	\$357	\$366	1.5x	13.3x	15.6x	17.5x	31%	11%
Financial Technology Median	\$20,199	\$26,226	6.0x	16.1x	18.4x	21.6x	65%	39%
Internet								
Alphabet Inc.	\$678,663	\$587,905	5.9x	18.3x	22.8x	27.0x	60%	32%
Amazon.com, Inc.	\$468,802	\$470,970	3.1x	38.2x	136.3x	183.8x	36%	8%
Facebook, Inc.	\$498,941	\$463,489	13.9x	25.4x	29.7x	29.7x	87%	55%
Yahoo! Inc.	\$59,075	\$60,409	21.4x	78.1x	133.6x	0.0x	47%	12%
Internet Median	\$483,872	\$467,230	9.9x	31.8x	81.7x	28.4x	54%	22%

Source: Capital IQ, data as of 10/25/2017.

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.	\$678,663	\$587,905	5.9x	18.3x	22.8x	27.0x	60%	32%
Microsoft Corporation	\$608,439	\$568,036	6.3x	18.6x	25.0x	24.6x	62%	34%
Oracle Corporation	\$208,591	\$195,392	5.1x	13.0x	14.4x	16.5x	59%	39%
IBM Corporation	\$145,271	\$179,512	2.3x	10.0x	13.4x	11.0x	46%	23%
SAP SE	\$134,219	\$134,900	4.9x	19.5x	23.0x	21.7x	70%	25%
Cisco Systems, Inc.	\$171,239	\$134,464	2.8x	9.0x	10.4x	14.1x	63%	31%
Hewlett-Packard Company	\$36,662	\$36,481	0.7x	8.6x	9.4x	12.3x	18%	8%
Software Median	\$171,239	\$179,512	4.9x	13.0x	14.4x	16.5x	60%	31%
SaaS								
salesforce.com, inc.	\$71,575	\$70,656	7.5x	152.3x	NM	66.3x	73%	5%
Workday, Inc.	\$22,006	\$20,457	11.0x	NM	NM	123.1x	70%	-12%
Veeva Systems Inc.	\$8,339	\$7,614	12.3x	49.3x	54.2x	65.3x	69%	25%
The Ultimate Software Group, Inc.	\$5,832	\$5,731	6.7x	92.0x	169.0x	51.0x	62%	7%
Guidewire Software, Inc.	\$5,804	\$5,231	10.2x	110.5x	182.8x	79.2x	63%	9%
athenahealth, Inc.	\$4,912	\$5,066	4.3x	38.9x	91.1x	46.0x	52%	11%
Paycom Software, Inc.	\$4,752	\$4,719	12.3x	63.8x	77.3x	62.5x	85%	19%
Medidata Solutions, Inc.	\$4,753	\$4,657	8.8x	56.8x	76.8x	60.4x	77%	16%
Proofpoint, Inc.	\$3,996	\$3,918	8.2x	NM	NM	98.5x	72%	-4%
Solera Holdings Inc.	\$1,064	\$2,059	0.8x	11.4x	20.1x	NM	15%	7%
SaaS Median	\$5,358	\$5,148	8.5x	60.3x	77.3x	65.3x	70%	8%
Technology and Software Total Median	\$12,982	\$16,223	5.8x	16.4x	19.5x	21.9x	57%	26%

Source: Capital IQ, data as of 10/25/2017.

Selected Technology and Software Industry Transactions

Selected Technology and Software Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
10/23/2017	BroadSoft, Inc. (NasdaqGS:BSFT)	\$2,281	Cisco Systems, Inc. (NasdaqGS:CSCO)	78.8x	Cisco Systems, Inc. (NasdaqGS:CSCO) entered into an agreement to acquire BroadSoft, Inc. for \$1.8 billion on October 20, 2017.
10/20/2017	BluePay, Inc.	\$760	First Data Corporation (NYSE:FDC)	-	First Data Corporation (NYSE:FDC) entered into a definitive stock purchase agreement to acquire BluePay, Inc. from TA Associates Management, L.P., BluePay management and others for \$760 million on October 20, 2017.
10/17/2017	IntraLinks Holdings, Inc.	\$1,080	Siris Capital Group, LLC	46.0x	Siris Capital Group, LLC entered into definitive agreement to acquire IntraLinks Holdings, Inc. from Synchronoss Technologies, Inc. (NasdaqGS:SNCR) for approximately \$1 billion on October 17, 2017.
10/08/2017	Radial, Inc.	\$820	bpost SA/NV (ENXTBR:BPOST)	-	bpost SA/NV (ENXTBR:BPOST) agreed to acquire Radial, Inc. from Sterling Partners, Longview Asset Management Ltd. and others for an enterprise value of \$820 million on October 8, 2017.
10/03/2017	CompuCom Systems, Inc.	\$1,000	Office Depot, Inc. (NasdaqGS:ODP)	-	Office Depot, Inc. (NasdaqGS:ODP) entered into a definitive agreement to acquire CompuCom Systems, Inc. from Thomas H. Lee Partners, L.P. for approximately \$1 billion on October 3, 2017.
09/18/2017	Silver Spring Networks, Inc. (NYSE:SSNI)	\$958	Itron, Inc. (NasdaqGS:ITRI)	-	Itron, Inc. (NasdaqGS:ITRI) signed a definitive agreement to acquire Silver Spring Networks, Inc. (NYSE:SSNI) for approximately \$950 million on September 17, 2017.
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.

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
08/03/2017	ACTIVE Network, The Communities and Sports Divisions	\$1,200	Global Payments Inc. (NYSE:GPN)	-	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.
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. (nasdaqgs:wbmd)	\$3,651	Internet brands, inc.	14.4x	internet brands, inc. entered into a definitive agreement to acquire webmd health corp. (nasdaqgs:wbmd) for \$2.5 billion on July 24, 2017.
07/06/2017	Syncsort incorporated	\$1,260	Centerbridge partners, I.P.	-	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.
07/03/2017	bankrate, inc. (nyse:rate)	\$1,622	red ventures holdco, lp	15.0x	red ventures holdco, lp ('red ventures') entered into a definitive agreement to acquire bankrate, inc. (nyse:rate) from apa excelsior vii, l.p., fund of apax partners and other shareholders for \$1.3 billion on July 2, 2017.
06/23/2017	synchronoss technologies, inc. (nasdaqgs:snrc)	\$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. (nasdaqgs:snrc) for approximately \$750 million on June 22, 2017. as per the terms of the offer, snrc shareholders will receive \$18 per share.
06/13/2017	viawest, inc.	\$1,675	Peak 10 holding corporation	-	peak 10 holding corporation entered into an agreement to acquire viawest, inc. from shaw communications, inc. (tsx:sjr.b) for approximately \$1.7 billion on June 12, 2017. the purchase consideration will be paid in cash.

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
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	-	salesforce.com, inc. (NYSE:CRM) entered into an agreement to acquire Krux Digital Inc. for approximately \$770 million on October 3, 2016.
03/14/2017	moneygram international, inc. (nasdaq:mgj)	\$1,929	euronet worldwide, inc. (nasdaq:eef)	8.0x	euronet worldwide, inc. (nasdaq:eef) made a proposal to acquire moneygram international, inc. (nasdaq:mgj) from thomas h. lee partners, l.p., carlson capital, l.p. and other shareholders for approximately \$1 billion on march 14, 2017.
01/26/2017	moneygram international, inc. (nasdaq:mgj)	\$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. (nasdaq:csc)	-	cisco systems, inc. (nasdaq:csc) 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.
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.

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
12/06/2016	intralinks holdings, inc.	\$903	synchronoss technologies, inc. (nasdaq:sncr)	42.8x	synchronoss technologies, inc. (nasdaq:sncr) entered into a definitive agreement to acquire intralinks holdings, inc. (nyse:il) for approximately \$800 million on december 5, 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.
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.

Source: Capital IQ.

Peakstone Momentum

  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	 M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	 M&A Advisor PEAKSTONE
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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>

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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.

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