

# SOFTWARE SECTOR REVIEW

2Q 2014

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# HARRIS WILLIAMS & Co. OVERVIEW

## HW&Co. GLOBAL PRESENCE



- EIGHT OFFICES
- APPROXIMATELY 225 EMPLOYEES
- 10 INDUSTRY GROUPS

Technology • Media • Telecom

- ★ Boston
- ★ San Francisco
- ★ London
- Richmond
- Minneapolis
- Philadelphia
- Cleveland
- Frankfurt

## HW&Co. TMT GROUP FOCUS AREAS

### SOFTWARE

- Application Software
- Infrastructure Software
- Data and Informatics
- Healthcare IT
- M2M Technologies
- Telecom and Data Center Solutions

### INTERNET & DIGITAL MEDIA

- eCommerce
- Information and Media
- Consumer Internet
- eLearning
- Internet and Social Gaming
- Online Advertising and Marketing

### KEY FOCUS THEMES

- Big Data / Analytics
- Cloud
- Mobilization
- Network Optimization
- SaaS and Subscription Models
- Vertical-Specific Solutions

## RECENT HW&Co. TMT TRANSACTIONS

**Capario**  
a portfolio company of  
MARLIN EQUITY PARTNERS  
pending acquisition by  
emdeon

**HighJump**  
a portfolio company of  
**BV**  
Battery Ventures  
has merged with  
**Accellos**  
a portfolio company of  
ACCEL KKR

**talent**  
PARTNERS  
a portfolio company of  
**ABRY**  
PARTNERS  
has been acquired by  
THE CARLYLE GROUP

**ORSYP**  
a portfolio company of  
**ARGOS**  
SODITIC  
has been acquired by  
**Automic**  
a portfolio company of  
**EQT**

**upstream**  
has received a  
significant investment  
from  
**Actis**

**ECI Software**  
Solutions  
a portfolio company of  
INSIGHT VENTURE PARTNERS  
and  
**ACCEL** **NEA**  
PARTNERS  
has been acquired by  
THE CARLYLE GROUP

**homecare** **homebase**  
a portfolio company of  
**Cressey & Company**  
and  
**SV Life Sciences**  
has been acquired by  
**HEARST** corporation

**Care2Learn**  
a division of  
**VectorLearning**  
has been acquired by  
RELIAS|LEARNING

**JAWOOD**  
People Services Tools  
has been acquired by  
**GENPACT**

# DEAL SPOTLIGHT – ORSYP

HW&Co. advised Orsyp's shareholders in the company's recent sale to Automic, bringing together two leaders in IT Operations Management software.



*a portfolio company of*



*has been acquired by*



*a portfolio company of*



- Orsyp offers IT workload automation, network performance management, and data analytics software solutions to efficiently manage critical operations of IT infrastructure
- The company's unique Distributed Architecture technology ensures faster and more reliable performance as public cloud, private cloud, and on-premise networks become more complex
- Orsyp's solutions deliver significant improvement on customers' IT operations and offer enhanced ROI
- Headquartered in Paris, France



- ✓ Global software provider for automating and optimizing IT performance
- ✓ Strong expertise in the growing IT Operations Management market, with 40% market share in France
- ✓ Leading technology offers faster performance, greater flexibility and high scalability
- ✓ Large and diverse customer base
- ✓ International reach through direct sales force

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# WHAT WE'VE BEEN READING

## Analytics and Enterprise Applications to Drive Software Market Growth Until 2018

VSR, 6/10/14

- ▶ According to IDC, the global software market is projected to grow 5.9% YoY in 2014 and will continue to grow at a 6% CAGR until 2018.
- ▶ Structured data management software, collaborative applications and data access, analysis and delivery solutions are expected to experience the strongest growth over the five-year forecast period with a CAGR near 9% from 2013-2018.

Read the full article [here](#).

## Global Technology M&A Update: 1Q14

Ernst & Young, 4/4/14

- ▶ Technology M&A continued its torrid pace in the first quarter of 2014, with a 15% YoY spike in deal volume to 758 deals and 83% YoY spike in deal value to \$67B.
- ▶ Private equity acquisitions represented \$13B of value encompassing 70 deals, an increase for the fifth straight quarter.

Read the full article [here](#).

## Internet of Things Market to Hit \$7.1T by 2010: IDC

ZDNet, 6/5/14

- ▶ According to IDC, the global Internet of Things ("IoT") market was estimated to be \$1.9 trillion in 2013 and is projected to grow at an 18% CAGR through 2020 to \$7.1 trillion.
- ▶ The interest in IoT devices is stemming from both the consumer end market as well as increased adoption by the business community, which is interested in the implication of the technology.

Read the full article [here](#).

## Government Support to Drive Rapid Growth in US Healthcare IT Industry

Digital Journal, 6/12/14

- ▶ The U.S. Healthcare IT market is expected to grow at a 10% CAGR during 2014 to 2018, which is largely due to declining costs of HCIT systems' implementation, stricter government regulations, and large incentives.
- ▶ Industry trends including the emergence of cloud computing in HCIT, growing strategic collaborations and rapid technological upgrading in the industry are also driving growth in the industry.

Read the full article [here](#).

## Meeker's 2014 Internet Trends Report Reveals Significant Mobile Growth

Dex Media, 7/16/14

- ▶ According to technology analyst Mary Meeker's annual internet trends report for 2014, mobile data traffic is experiencing over 81% accelerating growth, with video being the strongest driver.
- ▶ Mobile usage now accounts for 25% of all web traffic, up from only 14% a year ago.
- ▶ Global internet advertising grew 16% in the past year, with mobile advertising growing nearly 47%.

Read the full article [here](#).

## Utility Spending on Smart Grid as a Service Will Total \$57.6 Billion from 2014 through 2023

Navigant, 5/19/14

- ▶ Smart Grid as a Service ("SGaaS") technology is expected to drive significant growth for smaller utilities, which traditionally lack access to adequate financial and human resources.
- ▶ The SGaaS market is projected to grow from \$1.7 billion in 2014 to \$11.2 billion in 2023, representing a 23% CAGR.

Read the full report [here](#).

# NOTEWORTHY SOFTWARE TRANSACTIONS – 2Q 2014



Ent. Value: \$2,495  
Revenue: \$198



EV / Revenue: 12.6x  
EV / EBITDA: 41.5x

## Priceline Group acquires OpenTable

6/13/2014

- ▶ OpenTable provides restaurant reservation solutions through an online network of reservation-taking restaurants and consumers
- ▶ OpenTable seats nearly 15 million diners each month in over 31,000 restaurants, and has booked 125 million reservations since its founding
- ▶ The acquisition provides Priceline with a natural extension into restaurant marketing services, and allows the company to offer activities beyond transportation and lodging



Ent. Value: \$752M  
Revenue: NA



EV / Revenue: NA  
EV / EBITDA: NA

## Insight Venture Partners acquires iParadigms

6/2/14

- ▶ iParadigms is a global provider of cloud-based software that allows educators to review papers for plagiarism and correct citations
- ▶ Post acquisition, iParadigms plans to expand its international presence and accelerate product development plans, with a focus on entering the high school market
- ▶ Warburg Pincus previously acquired a controlling stake in iParadigms in July 2008



Ent. Value: NA  
Revenue: NA



EV / Revenue: NA  
EV / EBITDA: NA

## Summit Partners recapitalizes ABILITY Network

5/19/14

- ▶ ABILITY Network offers innovative, web-based workflow solutions that simplify clinical and administrative tasks for acute and post-acute healthcare providers
- ▶ ABILITY's solutions are used by over 55,000 providers at hospitals, home health agencies, hospices, skilled nursing facilities, DMEs, and other healthcare sites in the U.S.
- ▶ Summit's \$550M recapitalization of ABILITY comes three years after the company received a \$27M capital investment from Bain Capital Ventures and Lemhi Ventures



Ent. Value: \$185M  
Revenue: NA



EV / Revenue: NA  
EV / EBITDA: NA

## TIBCO Software acquires Jaspersoft

4/28/14

- ▶ Jaspersoft provides open source business intelligence tools, which allow developers to embed reporting, analytics, and dashboards into applications via multiple data sources
- ▶ The Jaspersoft acquisition accelerates TIBCO's strategy of enhancing its analytics platform with a wider range of pricing, packaging, and deployment options
- ▶ Jaspersoft had previously raised over \$43M in funding from a variety of investors including Adams Street Partners, DCM, Morgenthaler, Partech International, Red Hat, SAP Ventures, and Scale Venture Partners



Ent. Value: \$230M  
Revenue: NA



EV / Revenue: NA  
EV / EBITDA: NA

## Bain Capital acquires Viewpoint Construction Software

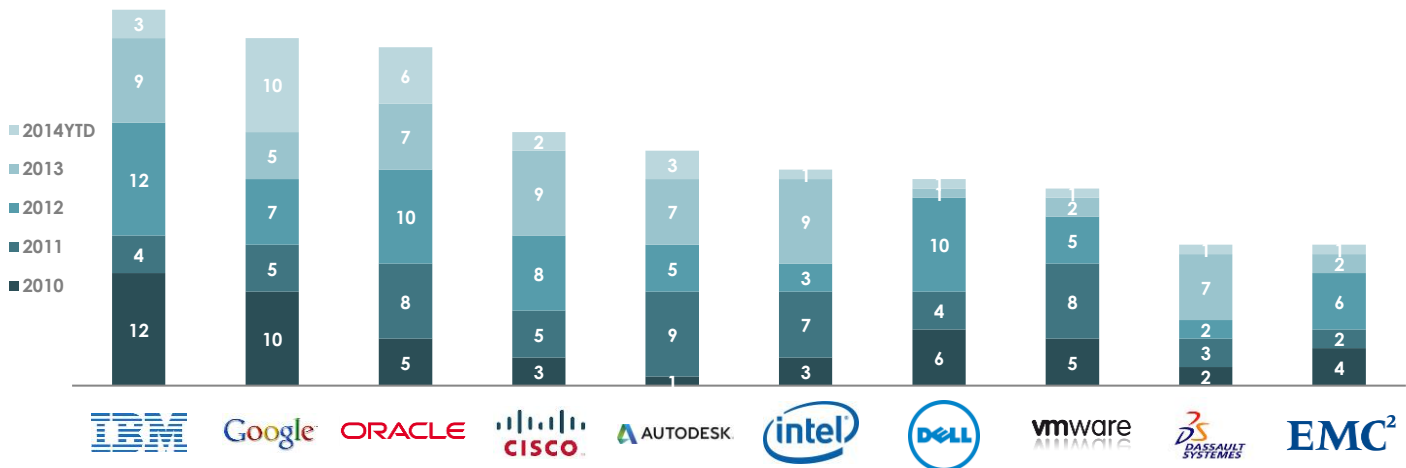
4/22/14

- ▶ Viewpoint Construction Software provides commercial construction software products and solutions for project management, financial planning, field communications, and day-to-day construction operations
- ▶ Bain Capital's \$230M acquisition of Viewpoint comes nearly two years after the company received a \$76M capital investment from TA Associates, and a \$10M investment from Updata Partners

# STRATEGIC SOFTWARE ACQUISITION ACTIVITY

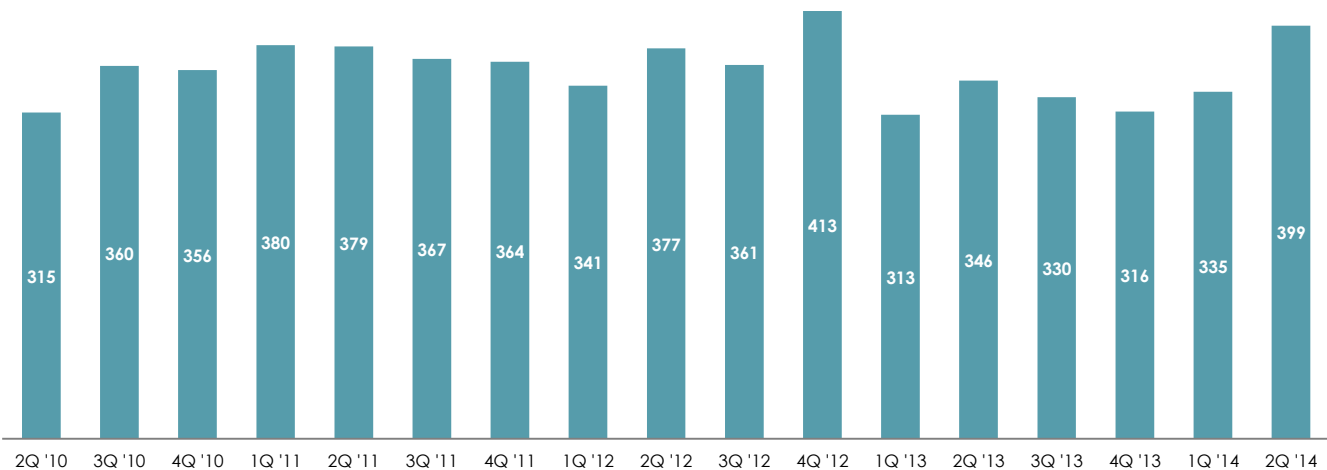
- ▶ In 2014, Google has been the most active strategic acquirer of software assets, completing 10 acquisitions to date.
- ▶ IBM, Oracle, and Autodesk are continuing their strong momentum in 2014 with a combined 12 acquisitions to date.

MOST ACTIVE STRATEGIC SOFTWARE M&A ACTIVITY BY VOLUME<sup>(1)(2)</sup>



- ▶ In 2Q 2014, global strategic buyer activity for software M&A reached its highest point since 4Q 2012.
- ▶ Substantial cash balances and attractive public equity performance continue to provide strong strategic currency.

GLOBAL STRATEGIC ACQUIRER SOFTWARE M&A ACTIVITY BY VOLUME<sup>(2)</sup>

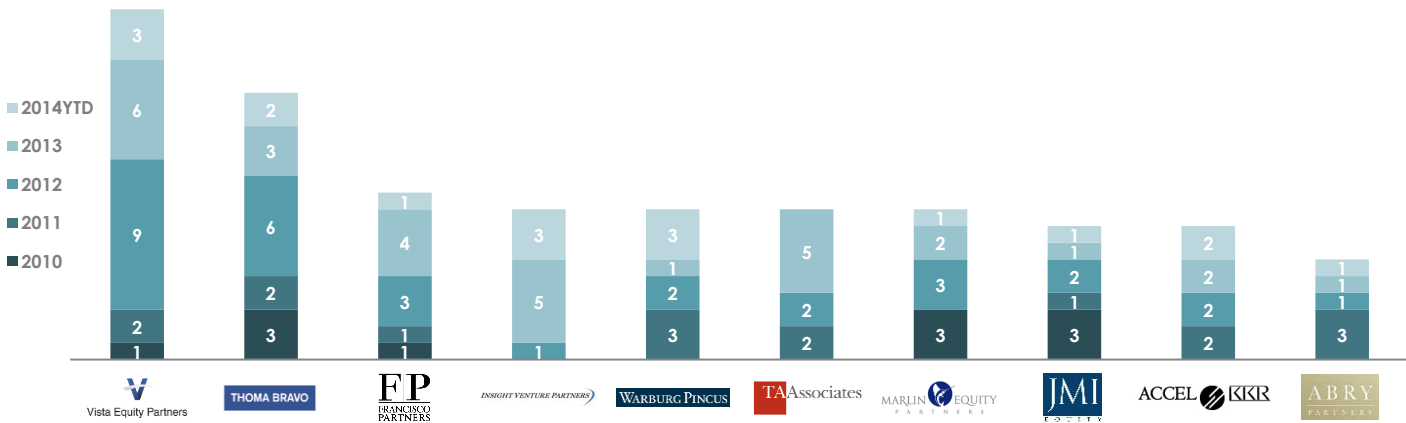


(1) This analysis compiles software M&A transactions for the most active strategic acquirers from 2010 to 2Q 2014.  
 (2) Non-control, private placement transactions are excluded from this analysis.  
 Source: Capital IQ and HW&Co. research.

# PRIVATE EQUITY SOFTWARE ACQUISITION ACTIVITY

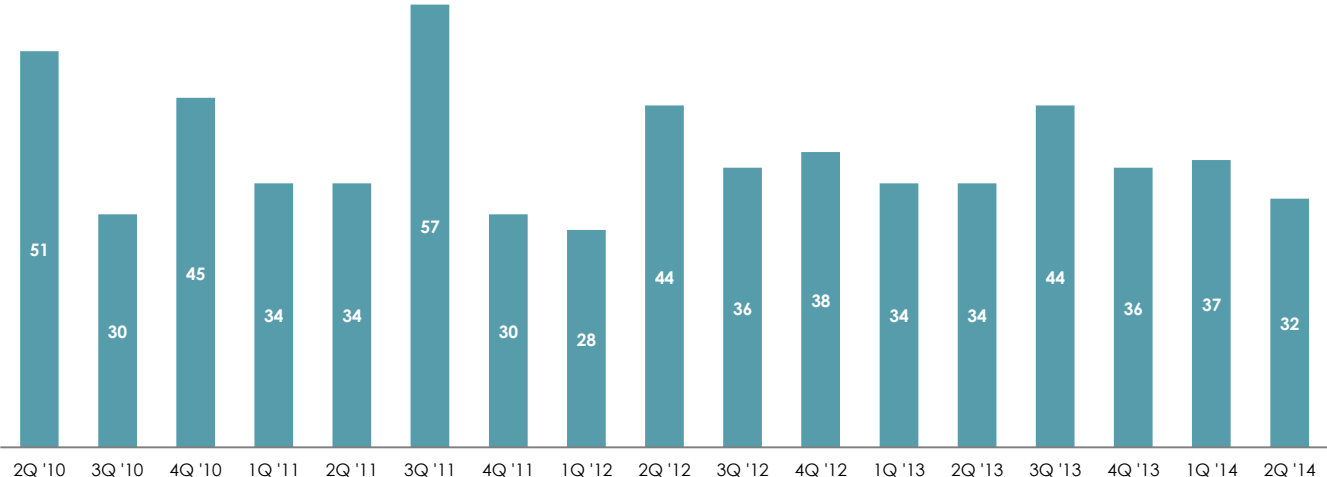
- Vista Equity and Thoma Bravo remain leaders in software M&A activity, while Insight Venture Partners and Warburg Pincus have been among the most active in 2014.
- SaaS-based, subscription models in growth markets remain among the most sought after acquisition targets for new platform private equity investors.

NEW PLATFORM PRIVATE EQUITY SOFTWARE ACQUISITION VOLUME<sup>(1)(2)</sup>



- Overall, global private equity software M&A volume declined in 2Q 2014, but remains robust and consistent with levels observed over the past three years.

GLOBAL NEW PLATFORM PRIVATE EQUITY SOFTWARE ACQUISITION VOLUME<sup>(2)</sup>



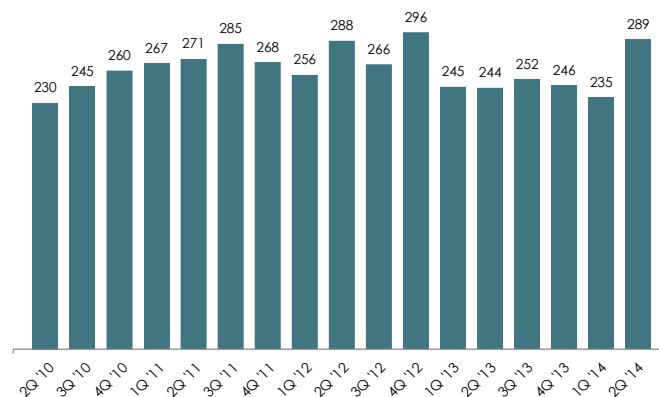
(1) This analysis compiles software M&A transactions for the most active, financial acquirers from 2010 to 2Q 2014.  
 (2) Non-control, private placement and portfolio company transactions are excluded from this analysis.  
 Source: Capital IQ and HW&Co. research.



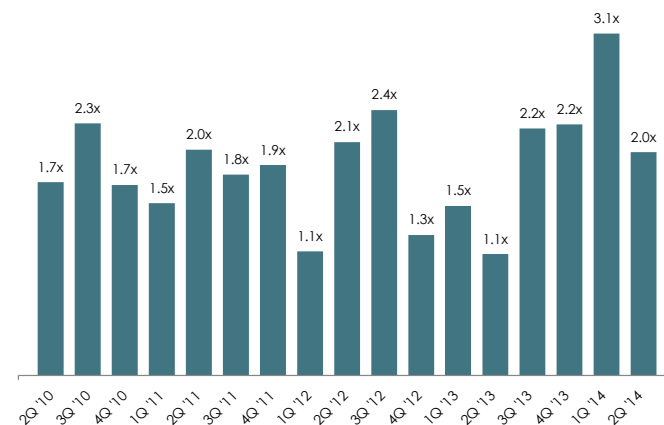
# APPLICATION SOFTWARE – M&A MARKET SUMMARY

- ▶ Application software M&A volume increased substantially in 2Q 2014 compared to the previous quarter.
- ▶ Publicly disclosed application software M&A multiples remain in line with historical levels.

APPLICATION SOFTWARE M&A VOLUME  
GLOBAL



MEDIAN M&A REVENUE MULTIPLES



- ▶ There is broad strategic acquisition interest in application software companies from potential buyers ranging from large diversified corporations, to smaller vertically focused software providers.

- ▶ Deltek's acquisition of Axiom represents its fourth acquisition in the construction and engineering services software verticals in the last 12 months

NOTABLE APPLICATION SOFTWARE M&A TRANSACTIONS

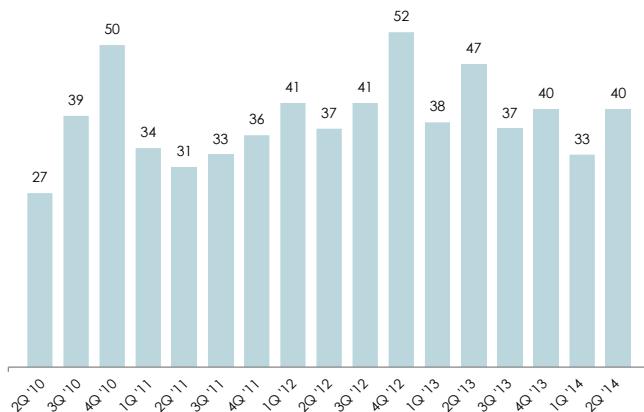
Date Closed	Acquirer	Target	Description	Enterprise Value (\$mm)	Revenue Multiple
<b>Application Software</b>					
Pending	Oracle Corporation	MICROS Systems, Inc.	Hotel and retail enterprise software solutions.	\$4,433	3.3x
06/17/14	WEX Inc.	Evolution1, Inc.	Electronic payment, on-premise, and cloud computing healthcare solutions.	\$533	NA
06/16/14	Intuit Inc.	Check, Inc.	Mobile finance applications.	\$360	NA
06/16/14	Cadence Design Systems Inc.	Jasper Design Automation, Inc.	Semiconductor design and verification software.	\$170	NA
06/03/14	Deltek, Inc.	Axiom XTS Corporation	Project-focused software for architectural and engineering firms.	NA	NA
05/21/14	The Carlyle Group LP	Talent Partners, Inc.	Talent payment software.	<b>Confidential</b>	
05/02/14	SAP AG	Fieldglass, Inc.	Human capital management solutions.	\$1,000	NA
04/28/14	Dassault Systemes SA	Accelrys Inc.	Scientific business intelligence software and solutions.	\$683	4.1x
04/22/14	Bain Capital Private Equity	Viewpoint, Inc.	Construction management software.	\$230	NA
04/10/14	Hellman & Friedman LLC	Renaissance Learning Inc.	Computer-based assessment technology and school improvement programs.	\$1,100	NA
04/07/14	Wolters Kluwer	Third Coast Holdings Inc	Enterprise legal management software.	\$290	5.1x
03/12/14	The Carlyle Group LP	ECI Software Solutions, Inc.	ERP software for SMBs.	<b>Confidential</b>	
02/05/14	Amadeus Americas, Inc.	NMTI Holdings, Inc.	NMTI Holdings, Inc. provides software for the hospitality industry.	\$500	NA
<b>Median</b>				<b>\$460</b>	<b>3.8x</b>

Source: Capital IQ and HW&Co. proprietary information.

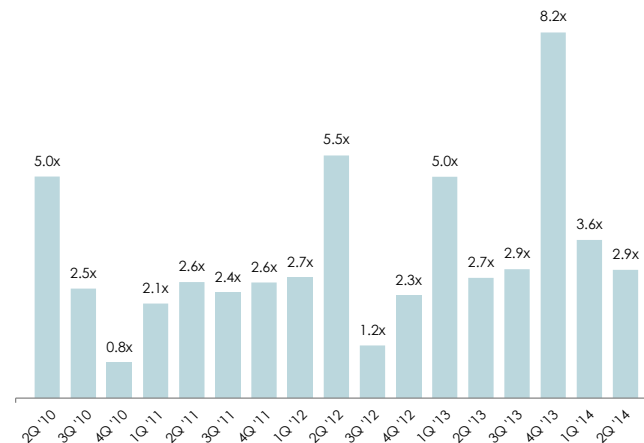
# SAAS - M&A MARKET SUMMARY

- ▶ SaaS acquisition volume increased in 2Q 2014 over the prior quarter and remains in line with 2012 and 2013 averages.
- ▶ Growing SaaS companies continue to trade at highly attractive multiples.

SAAS M&A VOLUME  
GLOBAL



MEDIAN M&A REVENUE MULTIPLES



- ▶ Private equity is driving a substantial portion of SaaS M&A activity.
- ▶ OpenTable's valuation represents a recent "high water mark" for strategic SaaS transactions.

NOTABLE SAAS M&A TRANSACTIONS

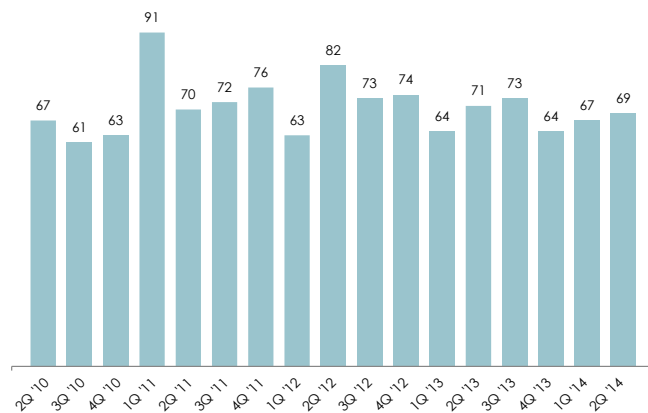
Date Closed	Acquirer	Target	Description	Enterprise Value (\$mm)	Revenue Multiple
SaaS					
Pending	Insight Venture Partners	iParadigms, LLC	Cloud-based educational technologies.	\$752	NA
Pending	Warburg Pincus LLC	PayScale, Inc.	Cloud based compensation software.	NA	NA
Pending	The Priceline Group Inc.	OpenTable, Inc.	Restaurant reservation solutions.	\$2,496	12.6x
06/04/14	Ezopen, Inc.	Serus Corporation	Intelligent operations management solutions.	\$26	NA
06/02/14	Marin Software Incorporated	NowSpots, Inc.	Digital advertisement platform.	\$23	NA
05/30/14	GTCR, LLC	Vocus Inc.	Marketing and public relations software.	\$442	2.4x
05/19/14	Summit Partners LLP	ABILITY Network Inc.	Web-based workflow solutions for healthcare applications.	NA	NA
05/12/14	Thoma Bravo, LLC	TravelCLICK, Inc.	Cloud-based revenue-generating solutions for hoteliers.	\$930	NA
04/23/14	Intralinks, Inc.	docTrackr, Inc.	Data security solutions.	\$10	NA
03/11/14	Thoma Bravo, LLC	Global Healthcare Exchange, LLC	Cloud-based healthcare technology for supply chain management.	NA	NA
02/28/14	Corporate Executive Board Co.	KnowledgeAdvisors, Inc.	Learning and talent measurement software.	\$52	NA
02/06/14	Oracle Corporation	Responsys, Inc.	Marketing solutions across various interactive channels.	\$1,597	8.2x
12/19/13	The Hearst Corporation	Homecare Homebase, LLC	SaaS solutions for the homecare and hospice industry.	<b>Confidential</b>	
12/19/13	Omnitracs, Inc.	Roadnet Technologies, Inc.	Fleet and workforce management and GPS tracking solutions.	NA	NA
11/15/13	Vista Equity Partners	The Active Network, Inc.	Cloud computing applications for activity and participant management.	\$961	2.1x
11/04/13	Vitera Healthcare	Greenway Medical	Software solutions and managed business services to healthcare providers.	\$632	4.7x
<b>Median</b>				<b>\$629</b>	<b>6.5x</b>

Source: Capital IQ and HW&Co. proprietary information.

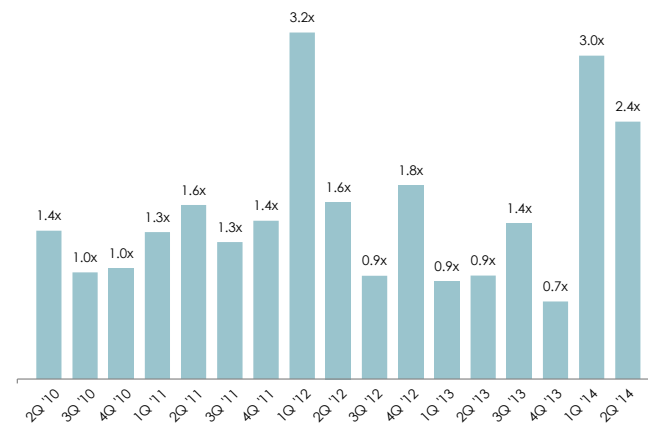
# DATA AND ANALYTICS – M&A MARKET SUMMARY

- Data and Analytics software M&A volume in 2Q 2014 was consistent with prior quarters.
- Data and Analytics companies continue to demand premium valuations, notably when they utilize recurring subscription revenue models.

DATA AND ANALYTICS M&A VOLUME  
GLOBAL



MEDIAN M&A REVENUE MULTIPLES



- Strategic buyers are prioritizing data-oriented acquisition targets as customers remain hungry for ways to capitalize on ever increasing electronic data.
- Larger strategic buyers, such as Oracle and TIBCO, remain the most active acquirers of Data and Analytics software companies.

NOTABLE DATA AND ANALYTICS M&A TRANSACTIONS

Date Closed	Acquirer	Target	Description	Enterprise Value (\$mm)	Revenue Multiple
<b>Data and Analytics</b>					
Pending	Axciom Corporation	LiveRamp, Inc.	Data onboarding platform.	\$310	NA
Pending	Oracle Corporation	Collective Intellect, Inc.	Web-based, automated, real-time text mining and analytics software.	NA	NA
06/03/14	Cloudera, Inc.	Gazzang, Inc.	Cloud-enabling data encryption and protection solutions.	NA	NA
04/28/14	TIBCO Software Inc.	Jaspersoft Corporation	Open source business intelligence software.	\$185	NA
04/17/14	Actis Capital, LLP	Upstream S.A.	Mobile marketing and analytics technology platform.	<b>Confidential</b>	
03/28/14	Meter Readings Holding, LLC	Aclara Technologies LLC	Utility management communications software.	\$130	NA
03/17/14	GSI Group Corporation	JADAK Technologies, Inc.	Data collection technologies.	\$93	NA
03/14/14	Oracle Corporation	Blue Kai, Inc.	Cloud-based data management platform for marketing applications.	\$400	NA
10/29/13	NeuStar, Inc.	Aggregate Knowledge, Inc.	Campaign and audience analytics for advertisers, trading desks, and publishers.	\$117	NA
10/25/13	inVentiv Health	Catalina Health	Personalized health data driving medication adherence and improved outcomes.	<b>Confidential</b>	
10/02/13	SAP AG	KXEN, Inc.	Predictive analytics solutions for business users.	NA	NA
10/01/13	Intel Corporation	Sensory Networks, Inc.	Software pattern matching and content processing acceleration solutions.	\$20	NA
08/28/13	Datawatch Corporation	Panopticon Software AB	Visual data monitoring and analysis software tools.	\$31	6.3x
03/11/13	JLL Partners	BioClinica, Inc.	Tools that collect and analyze crash reports from mobile applications.	\$108	1.4x
12/17/12	Informatica Deutschland AG	Heiler Software AG	Data virtualization software solutions.	\$85	3.3x
<b>Median</b>				<b>\$117</b>	<b>3.7x</b>

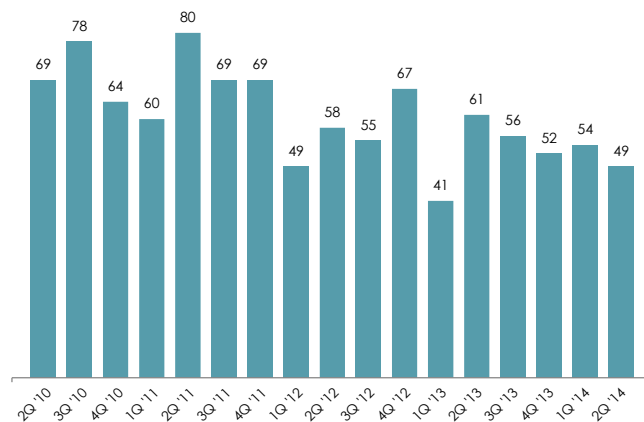
Source: Capital IQ and HW&Co. proprietary information.

# INFRASTRUCTURE SOFTWARE – M&A MARKET SUMMARY

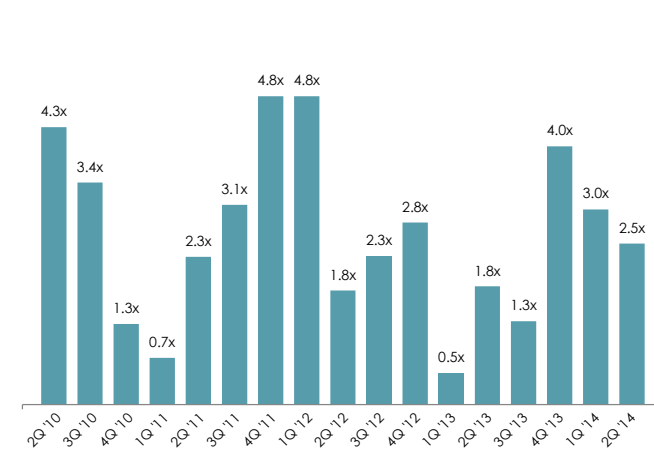
▶ In 2Q 2014, Infrastructure Software M&A volume is slightly down compared to the prior four quarters.

## INFRASTRUCTURE SOFTWARE M&A VOLUME

GLOBAL



## MEDIAN M&A REVENUE MULTIPLES



▶ Strategic buyers continue to be the most active acquirers of infrastructure software assets, as enterprises place greater importance on network management and security.

▶ The IT security M&A market continues to remain active as Proofpoint, FireEye, Cisco, F5 Networks are among the leaders consolidating this space.

## NOTABLE INFRASTRUCTURE SOFTWARE M&A TRANSACTIONS

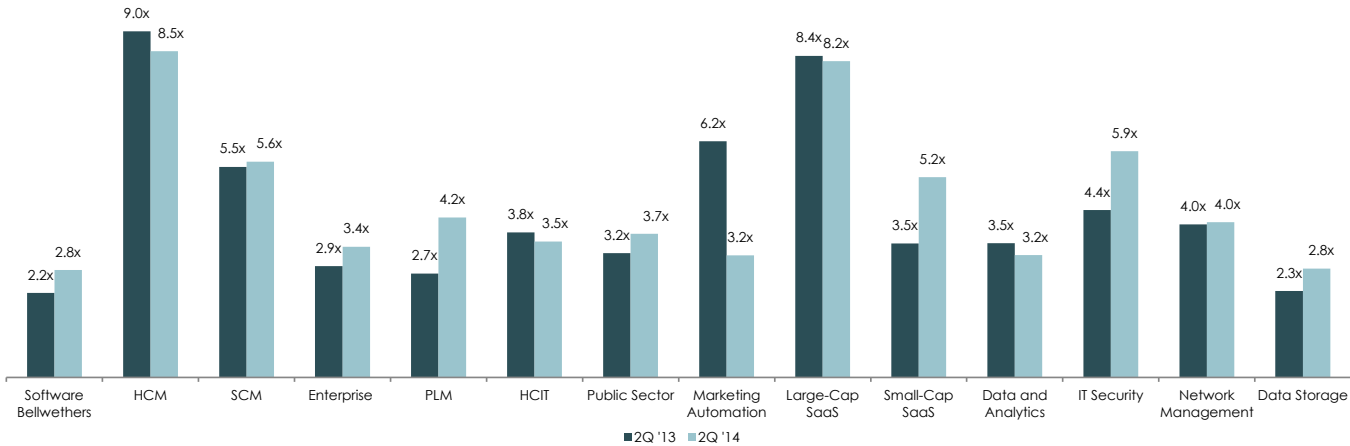
Date Closed	Acquirer	Target	Description	Enterprise Value (\$mm)	Revenue Multiple
<b>Infrastructure Software</b>					
Pending	Sphere 3D Corporation	Overland Storage Inc.	Unified data management and data protection solutions.	\$84	1.6x
05/28/14	Automic Software GmbH	ORSYP S.A.S.	IT operations management solutions.	<b>Confidential</b>	
05/20/14	Proofpoint, Inc.	NetCitadel, Inc.	Security orchestration platform for development of security infrastructure.	\$24	NA
04/16/14	HGGC, LLC	Serena Software, Inc.	Software products for mainframe change management.	\$436	2.4x
03/25/14	Synopsys Inc.	Coverity, Inc.	Source code analysis tools.	\$350	NA
03/21/14	Sphere 3D Corporation	V3 Systems, Inc.	Desktop cloud management solutions.	\$16	NA
03/04/14	Zayo Colocation, Inc.	CoreXchange, Inc.	Data center and networking solutions.	\$18	NA
02/18/14	Akamai Technologies, Inc.	Prolexic Technologies, Inc.	Distributed denial of service (DDoS) detection solutions.	\$403	NA
01/07/14	Juniper Networks, Inc.	WANDL, Inc.	Network planning and management software.	\$29	NA
01/06/14	JDS Uniphase Corporation	Network Instruments, LLC	Network troubleshooting and analysis solutions.	\$200	5.0x
12/30/13	FireEye, Inc.	Mandiant Corporation	Internet security and response software and managed services.	\$826	3.8x
12/06/13	Splunk, Inc.	Cloudmeter, Inc.	Application monitoring solutions in the cloud and datacenters.	\$21	NA
11/15/13	Computer Sciences Corp.	ServiceMesh, Inc.	Cloud application management platform.	\$310	NA
10/07/13	Cisco Systems, Inc.	Sourcefire, Inc.	Intelligent cybersecurity technologies.	\$2,194	8.9x
09/17/13	F5 Networks, Inc.	Versafe Ltd.	Security applications for identity theft and online fraud prevention applications.	\$88	NA
09/10/13	Bain, Golden Gate, Insight	BMC Software, Inc.	Software that provides system and service management solutions.	\$6,867	3.1x
<b>Median</b>				<b>\$148</b>	<b>3.1x</b>

Source: Capital IQ and HW&Co. proprietary information.

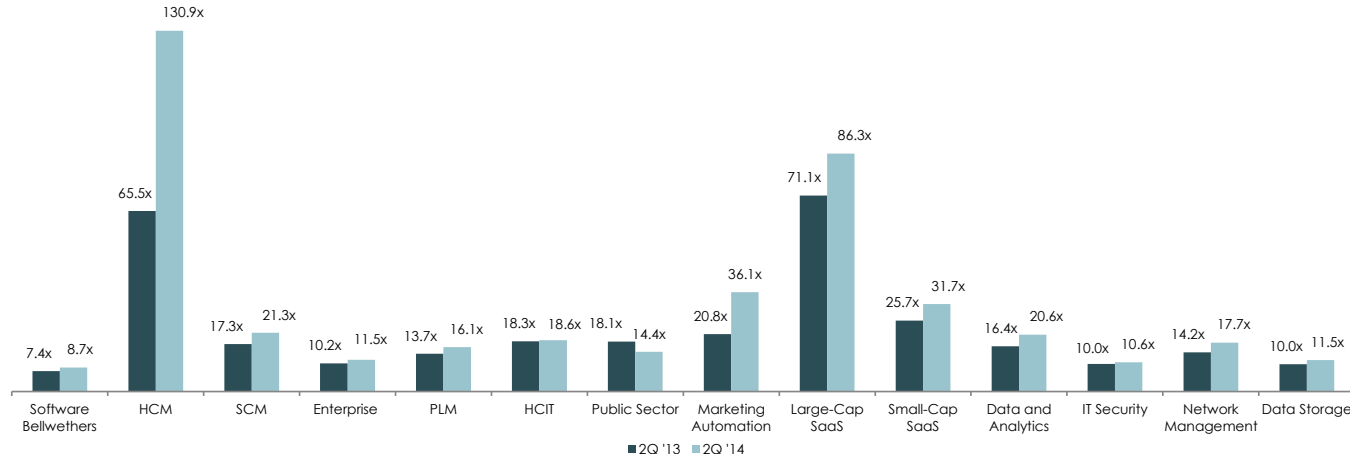
# PUBLIC SOFTWARE VALUATION MULTIPLES BY SECTOR

- Overall, revenue and EBITDA multiples have increased compared to the prior year due largely to continued improvement in economic conditions in the U.S.
- Human Capital Management, Supply Chain Management, IT Security and SaaS companies, with strong growth and significant expansion potential continue to experience premium valuations.
- Market valuations for Product Lifecycle Management, Public Sector, and Enterprise software companies also experienced significant year-over-year valuation increases.

REVENUE MULTIPLE ANALYSIS 2Q 2013 VS. 2Q 2014

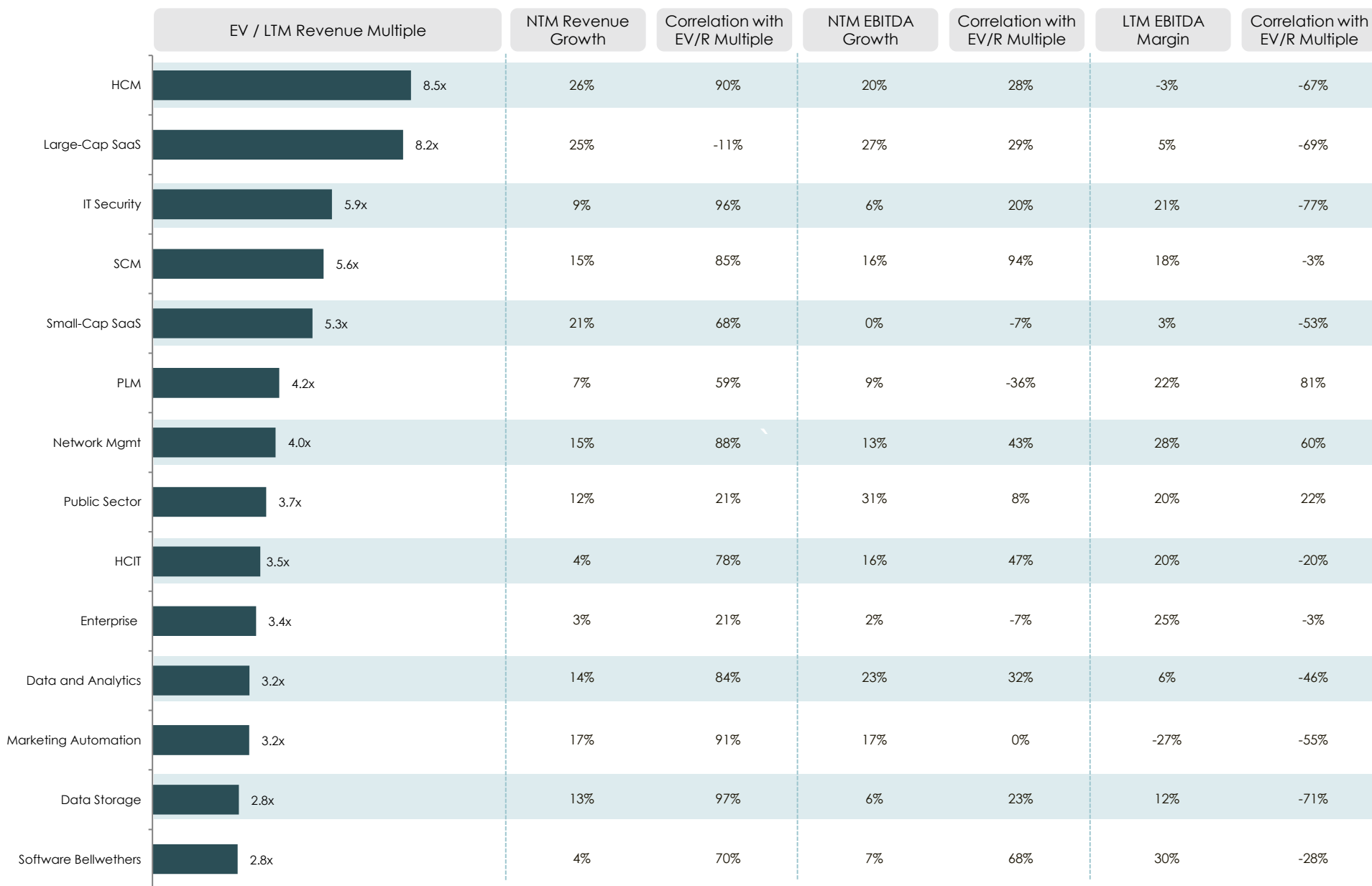


EBITDA MULTIPLE ANALYSIS 2Q 2013 VS. 2Q 2014



Note: Large-Cap SaaS companies have market capitalizations greater than \$2.0bn, while Small-Cap SaaS companies have market capitalizations less than \$2.0bn. Source: Capital IQ and HW&Co. proprietary information. Trading multiples are as of 6/30/2014.

# KEY METRICS BY SECTOR – PUBLIC SOFTWARE COMPANIES

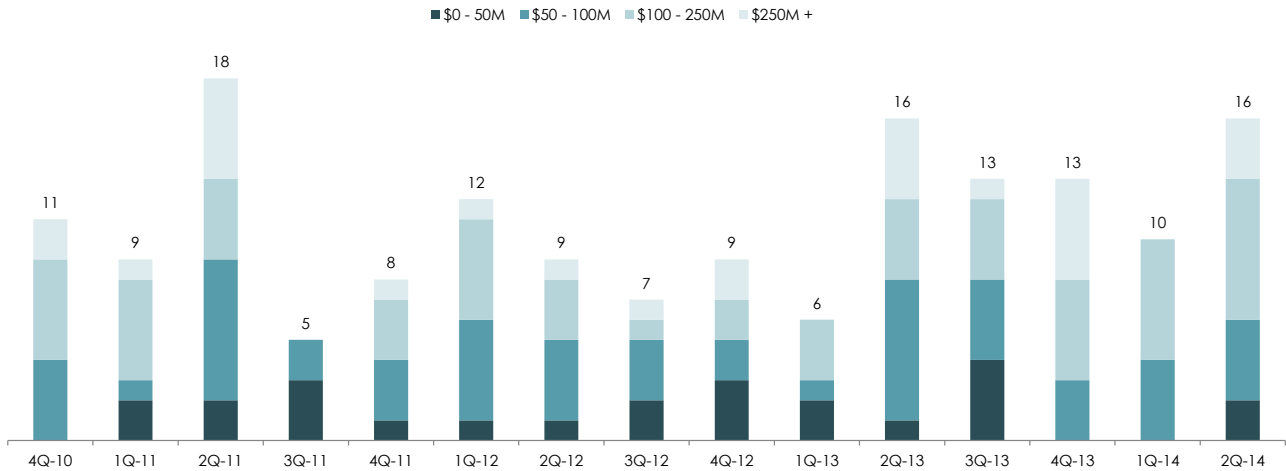


Note: Large-Cap SaaS companies have market capitalizations greater than \$2.0bn, while Small-Cap SaaS companies have market capitalizations less than \$2.0bn. Source: Capital IQ and HW&Co. proprietary information, data shown as of 6/30/2014.

# SUMMARY OF TECHNOLOGY IPOs

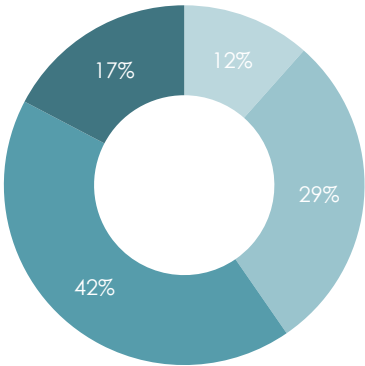
- ▶ 2014 continues to be a strong year for technology IPOs.
- ▶ Revenue growth remains a key driver for IPOs, with 41% of IPOs over the last twelve months generating over 75% annual revenue growth prior to IPO.
- ▶ Over the last four quarters, nearly 60% of technology IPOs raised over \$100 million.

RECENT U.S. IPO ACTIVITY (BY OFFERING SIZE)



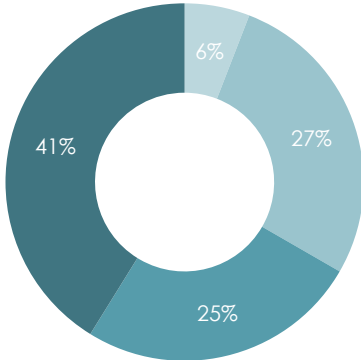
OFFERING SIZE AT IPO

■ \$0 - 50M ■ \$50 - 100M ■ \$100 - 250M ■ \$250M +



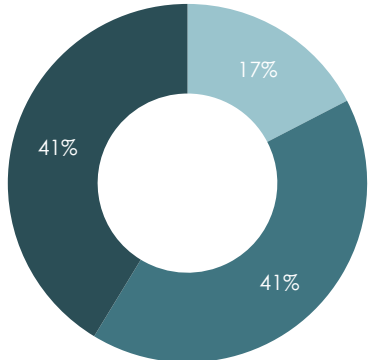
MARKET CAP AT IPO

■ \$0-50M ■ \$50-500M ■ \$500M-\$1B ■ \$1B+



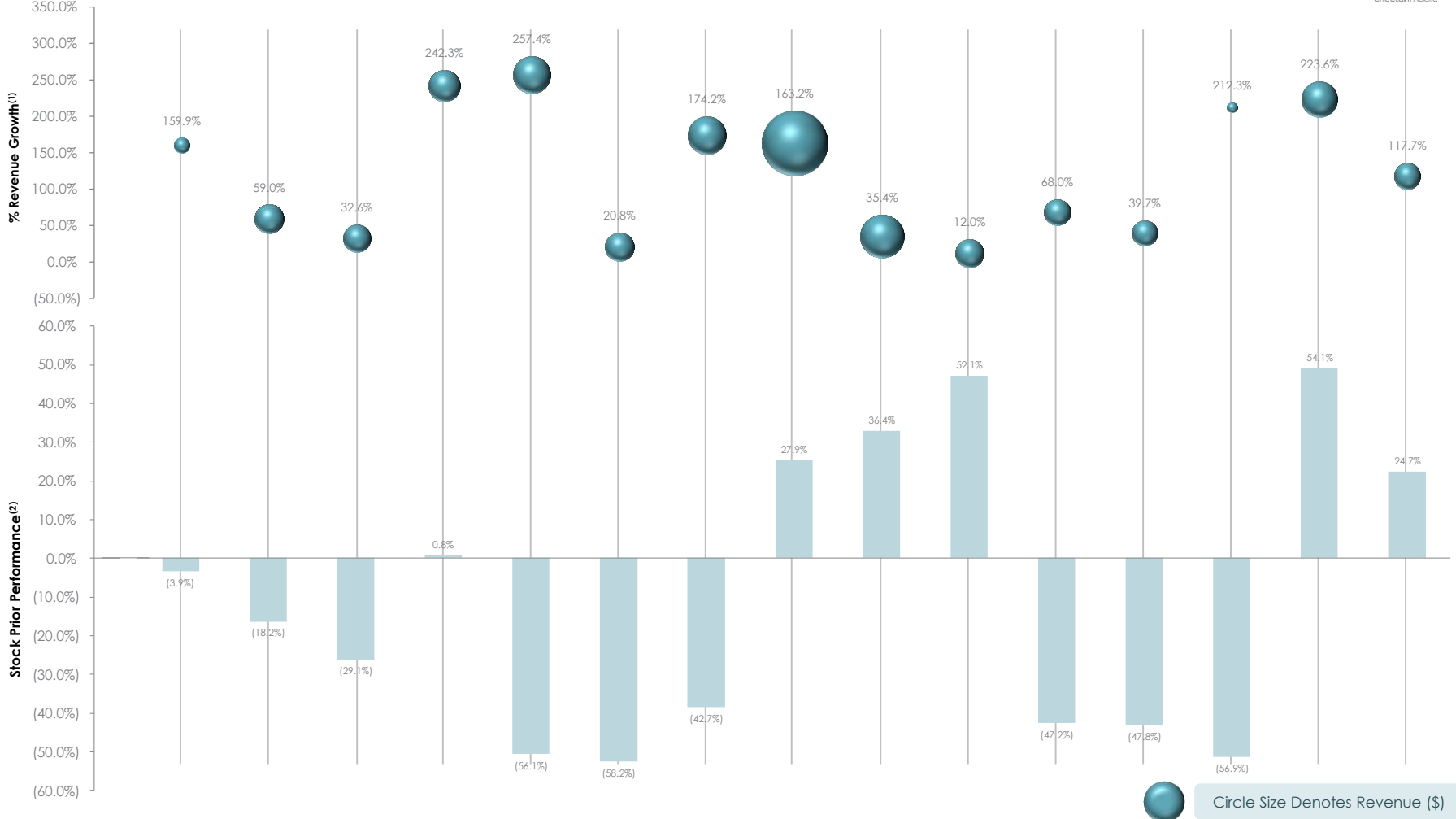
REVENUE GROWTH (1YR PRIOR)

■ < 25% ■ 25 - 75% ■ > 75%



Source: Capital IQ.

# KEY PERFORMANCE METRICS FOR RECENT SOFTWARE IPOs



IPO Date	6/6/2013	8/8/2013	9/17/2013	9/19/2013	9/19/2013	9/26/2013	10/15/2013	10/24/2013	11/5/2013	11/6/2013	1/23/2014	2/27/2014	3/13/2014	5/8/2014	5/14/2014
Revenue Growth <sup>(1)</sup>	159.9%	59.0%	32.6%	242.3%	257.4%	20.8%	174.2%	163.2%	35.4%	12.0%	68.0%	39.7%	212.3%	223.6%	117.7%
Revenue at IPO <sup>(3)</sup>	\$27.3	\$96.7	\$91.2	\$115.2	\$159.6	\$94.2	\$168.0	\$500.9	\$218.0	\$90.9	\$81.5	\$74.6	\$13.0	\$149.5	\$83.2
Offering Size <sup>(3)</sup>	\$75.0	\$117.6	\$130.8	\$303.5	\$116.0	\$64.0	\$260.9	\$252.6	\$74.5	\$54.5	\$91.0	\$105.6	\$177.6	\$168.0	\$100.0

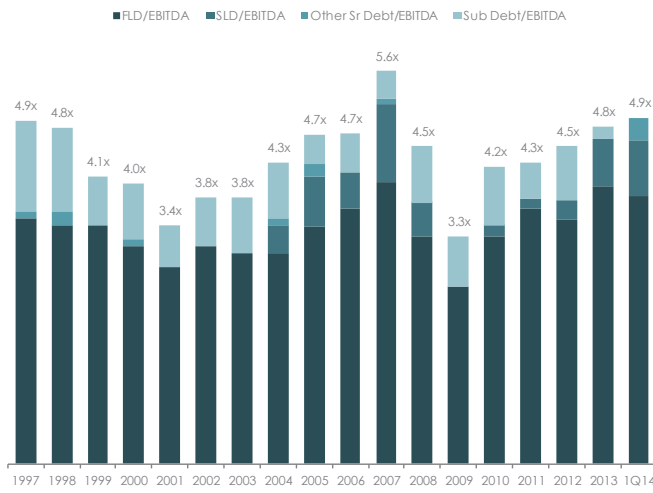
(1) Revenue growth based on LTM prior to IPO Date. Offering size and revenue at IPO are shown in millions.  
 (2) Stock price performance based on current prices as of 6/30/2014 versus price at IPO.  
 (3) Dollars in millions.  
 Source: Capital IQ.



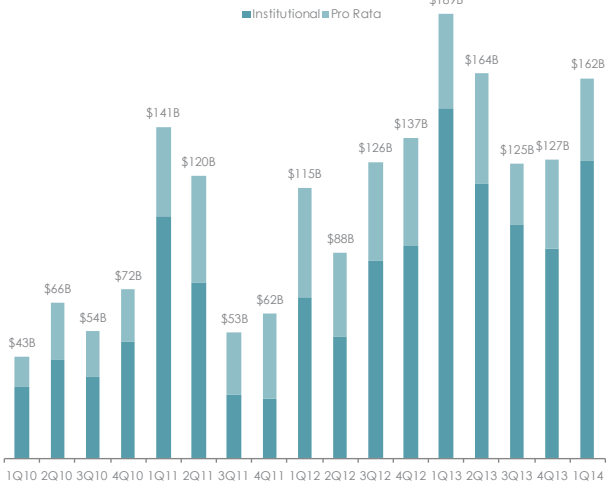
# MIDDLE MARKET DEBT / LBO MARKET OVERVIEW

- Overall, the middle market debt market continues to strengthen, with lenders actively seeking high quality software credits.
- Middle market LBO loan multiples have steadily increased since their low in 2009 and are on approaching peak 2007 levels.

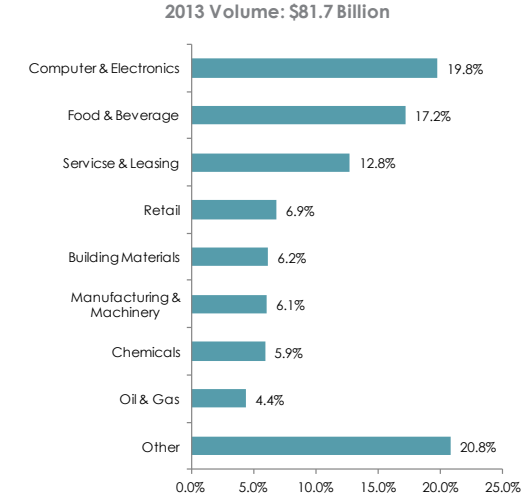
MIDDLE MARKET LBO LOAN MULTIPLES<sup>(1)</sup>



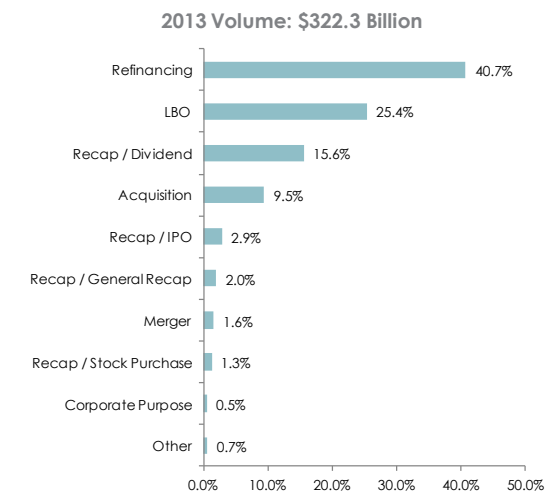
MIDDLE MARKET LOAN VOLUME<sup>(1)</sup>



LBO LOAN VOLUME BY INDUSTRY<sup>(2)</sup>



SPONSORED LOAN VOLUME BY PURPOSE<sup>(2)</sup>



(1) PNC Capital Markets.  
(2) S&P LCD stats.

# HW&Co. SOFTWARE SECTOR PUBLIC COMPANY UNIVERSE

Comparable Public Companies												
Software Bellwethers	Apple	Google	Microsoft	IBM	Oracle	Intel	Cisco	SAP	EMC	HP	Salesforce	
Application Software	Enterprise Software	IBM	Oracle	SAP	Adobe	Sage	Open Text	Software AG	Pegasystems	Exact		
	Healthcare IT (HCIT)	Cerner	athena	Medidata	Allscripts	HMS	Quality	MedAssets	CPSI			
	Human Capital Management (HCM)	Workday	Concur	Ultimate	Comerstone	Callidus	ClickSoftware					
	Marketing Automation Software	Marketo	Constant	Jive	Bazaarvoice							
	Product Lifecycle Management (PLM)	Dassault	Autodesk	Ansys	Synopsys	Cadence	PTC	Mentor	Aveva			
	Public Sector Software	Constellation	Tyler	NIC	K12	HigherOne						
	Supply Chain Management (SCM)	Aspen	Manhattan	SPS	Descartes	SciQuest	E2open	MiX	American			
SaaS	Large-Cap SaaS	Salesforce	NetSuite	Concur	athena	Ultimate	Guidewire	Medidata	Comerstone	Dealertrack		
	Small-Cap SaaS	RealPage	Fleetmatics	Cvent	Marketo	Proofpoint	SPS	Constant Contact	LogMeIn	Qualsys	SciQuest	Zendesk
	Small-Cap SaaS (cont'd)	E2Open	Bazaarvoice	Ebix	inContact	MiX Telematics	Marin					
Data and Analytics	Teradata	Splunk	Informatica	Tableau	TIBCO	Qlik	Verint	Microstrategy	Actuate	Datawatch		
Infrastructure Software	Network Management	VMware	CA	Citrix	Akamai	Red Hat	F5	SolarWinds	Infoblox	Progress	NetScout	Radware
	Data Storage	EMC	NetApp	Iron Mtn	CommVault	Nimble Storage	Barracuda	Fusion-io	Carbonite			
	IT Security	Symantec	Check Point	VeriSign	FireEye	Trend Micro	Fortinet	Imperva	Proofpoint	AVG Tech	Qualsys	

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