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THE JORDAN,
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INDEPENDENT INVESTMENT BANKING FOR MEDIA,
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Tech M&A Update – *The Connected Home: The New Frontier for Advertisers and Subscription Services?*

This month's letter is written by Joseph Sanborn, Managing Director and Head of Technology (see bio below)

My dream of being treated as king of the castle in my home may finally become a reality, as connected devices offer the potential for a very friendly 24/7 concierge to pamper me as if I were a guest in a luxury hotel... but it will all come at the price of potential loss of privacy and more monthly bills...

One of the more noteworthy deals in August was Samsung Electronics' acquisition of SmartThings for a rumored \$200 million. SmartThings is a home automation company with the vision of "making everyday objects around us do more to make our lives better." The SmartThings hub enables a simple mobile phone app to connect with a variety of sensors that are deployed around the home to monitor everything from temperature and water leaks to lighting and appliance controls – it can even let parents know when their children are at home or some repairman is napping in the den.

The Samsung deal follows on the heels of Google's move earlier this year to acquire Nest Labs, a maker of "smart" thermostats and smoke alarms for homes, for \$3.2 billion. As competition heats up to be "the platform" for the connected home, expect to see a real debate about who owns the data, as well as wildly divergent views on how advertisers can, or should be allowed to reach homeowners in their homes. How much will advertisers pay, for example, to know when a consumer's refrigerator is almost empty or the patterns of when and why one is going to the store? And who will determine whether advertisers are allowed to have access to this data? Will consumer product goods companies and large Internet players (like Google and Yahoo) be willing to subsidize appliance purchases by consumers, in exchange for access to this data?

The rise of the connected home will also enable companies to offer a wide range of new services to consumers. In January, for example, Samsung's CEO BK Yoon stated bold ambitions for the connected home at the annual Consumer Electronics Show in Las Vegas: "Imagine getting a health check from your doctor through your TV. Imagine your family watching a TV show in the living room while you cook...this is streamed directly to a screen on your kitchen appliance. Imagine taking a call from your refrigerator without picking up your smartphone. These are all glimpses into the home of the future." If a consumer is already willing to pay \$7.99 a month for Netflix and \$29.99/month for home security, it is not hard to envision a family paying a subscription fee to have virtual wellness visits for their children or remote management services for maintaining their home network.

Once the home is "connected", we can expect "smart technology" to help us communicate with our home in a "Siri-like" way. Companies in this space will face a major challenge in attracting and retaining top engineering talent to develop the applications consumers will need to easily interact with their connected homes. To that point, two of the six acquisitions completed by Google this past month– Jetpac and Emu – were primarily acqui-hires of teams with artificial intelligence and related experience.

Jetpac focuses on "deep learning" technology, an emerging field in machine learning research. It leads to artificial intelligence by leveraging photos and other sensors to help applications learn more about their environment and users.

Emu, a new mobile messaging application, incorporates a virtual assistant to automate tasks based on contextually understanding your conversations (e.g., scheduling appointments to your calendar, setting reminders, making restaurant reservations, etc.). Not surprisingly, the technology behind both companies had deep Silicon Valley ties to Google and Apple (in the case of Emu).

These are our brief highlights for September. Please stay tuned for the next issue of our Tech M&A Update, and don't hesitate to contact us to discuss any topics related to JEGI's Tech Coverage or your company's M&A strategy.

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August M&A Transactions in JEGI Tech Coverage

Buyer	Seller	Target Description	Enterprise Value (\$mm)
<i>Deals with Values (by size)</i>			
Cerner Corporation	Siemens Health Services	Comprises a business unit that offers healthcare information technology solutions.	\$1,300
Amazon	Twitch Interactive	Operates a video platform and community for gamers.	\$970
Telstra	Ooyala	Provides online video management, publishing, analytics and monetization solutions.	\$270
Rocket Fuel	[x+1]	Offers a programmatic marketing hub that enables brands to engage with consumers across paid and owned media.	\$236
Samsung Electronics	SmartThings	Offers a home automation app that allows users to lock doors, control lights, trigger alarms, etc.	\$200
MedAssets	Sg2	Provides market data and information to the healthcare industry.	\$142
Premier Healthcare Solutions (Premier)	TheraDoc (Hospira)	Develops and implements electronic surveillance systems for injury detection and prevention in real time.	\$117
Premier	Aperk (Cardinal Health)	Provides web-based analytics and savings solutions for the healthcare supply chain.	\$49
Clearlake Capital	First Physicians Capital Group	Provides management, financial and ancillary healthcare IT services to community hospitals.	\$23
SurveyMonkey	Fluidware	Develops software solutions to accept, store, manage, coordinate and review application content and files online.	\$20
Varian Medical Systems	Transpire	Develops simulation software products that predict the macroscopic behavior of radiation for various industries.	\$20
Yahoo!	ClarityRay	Develops and provides anti-ad blocking software solutions.	\$20
SMTP	SharpSpring	Provides sales and marketing management software to track and optimize various aspects of the sales cycle from lead to close.	\$15
Digital Payments	M2 Systems	Develops, markets, licenses and implements transaction processing software for healthcare and financial payments.	\$15
Sizmek	Aerify Media	Provides mobile technology for e-commerce companies to send data from mobile apps and websites to a single database.	\$6

Buyer	Seller	Target Description	Enterprise Value (\$mm)
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Deals without Announced Values (alphabetical by buyer)

Accruent (TA Associates, Vista)	Four Rivers Software, Facilities Technology	Provides health information management services and workflow solutions.	
Beanstock Media	Lulo Ventures	Provides a platform for mobile publishing that enables media content and advertising to appear the same on various devices.	
Beanstock Media	OnSwipe	Operates as a New York-based ad tech startup.	
Blackboard (Edelson, GE, Providence Equity)	CardSmith	Provides campus card solutions comprising ID card, dining plan and SaaS transaction systems.	
ComScore	MdotLabs	Provides a SaaS platform for publishers, advertisers and brands to identify and eliminate invalid traffic from botnets and click farms.	
dunnhumby (Tesco)	Sandtable	Operates as a consumer behavior modeling firm.	
Empirix (Thoma Bravo)	Verios Software & Systems	Provides real-time analytics solutions for high-volume distributed networks.	
Equifax	NettPositive Business Analytics	Provides analytics and business intelligence solutions for enterprises to measure, monitor and manage their businesses.	
ESO Solutions	JefBar Software Services	Provides ambulance billing and dispatching software.	
Evalueserve	Beyond Data	Offers various data services, including integration, warehousing, analysis, management dashboards, etc.	
Frontline Technologies Group	Aspex Solutions	Provides web-based human resources software solutions to school districts, park and recreation districts, colleges, etc.	
GL Education (Investcorp)	Test Factory	Provides online assessment and certification solutions for businesses to carry out on-boarding and engage in e-learning.	
Google	Baarzo	Provides a video indexing platform that scans and analyzes video content to find specific events.	
Google	Emu	An app that creates reminders from text messages based on time and location of movie times, scheduled reservations, etc.	
Google	Gecko Design	Provides mechanical design expertise with a focus on wearable devices.	
Google	Jetpac	Operates a platform that analyzes photos in a user's Instagram network to help find the best places to visit while traveling.	
Google	Zync	Offers video and special effects rendering.	
higi	Stayhealthy	Develops health measurement solutions for employers, health plans, wellness providers, etc.	
Hitcents.com	Moonshark (CAA, Qualcomm)	Produces, markets and publishes mobile games and apps.	
IgnitionOne (ABS, Dentsu, Persimmon)	Human Demand	Operates mobile demand side and data management platforms that provide mobile audience solutions to advertisers.	
INFOR (Golden Gate)	SalesLogix (Swiftpage)	Provider of SaaS customer relationship management (CRM) software.	
Iponweb	Adternity	Offers online ad technologies.	
Kinnsler Software	Benesan Corp	Provides ADLware, enterprise software for the private duty home care marketplace.	

Buyer	Seller	Target Description	Enterprise Value (\$mm)
LexisNexis Risk Sol. (Reed Elsevier)	Coplogic	Provides citizen self-reporting software for law enforcement agencies.	
MEDNAX	MedData (Baird Capital)	Provides medical billing services in the US.	
Medscape (WebMD)	TheraSim	Provides virtual patient simulation for the assessment, training and education of healthcare workers.	
OpenTable (Priceline)	Copilot Labs	Provides an online portal for point-of-sale connected marketing intelligence information for restaurants.	
Palantir Technologies	Propeller	Offers an online platform for the creation of mobile apps.	
Possible Worldwide (WPP)	Double Encore	Designs and develops mobile apps for broadcasters, sports leagues, financial services firms and software companies.	
Practice Fusion	Telethrive	Provides patient-doctor communication tools.	
Rakuten	Slice Technologies	Provides solutions to online shoppers to track packages automatically, store e-receipts to facilitate returns, etc.	
Rhapsody International	Extension Entertainment	Provides a browser extension for Chrome that turns the web into a client's personal music library.	
Rhapsody International	Schematic Labs	Develops software applications for music for mobile phones.	
Riverside Company	Grace Hill	Provides online education and learning management solutions for multifamily housing professionals.	
Roper Industries	Strategic Healthcare (Cressey, Level Equity)	Provides web-based tools for the healthcare industry to improve clinical outcomes, patient satisfaction and regulatory compliance.	
SkillSoft (Advent, Bain, Berkshire)	SumTotal Systems (Vista Equity)	Provides integrated online human resources solutions to customers worldwide.	
SmartFocus (Francisco)	Content Savvy	Provides enterprise SaaS solutions to automate content acquisition, enrichment and analysis of global content sources.	
Sprinklr	TBG Digital	Offers social data that provides insights and aligns the social strategy to achieve business goals.	
SQAD (BB&T, Clarion Capital)	Workhorse Software	Develops media planning and plan management tools for top tier advertising and communications companies.	
Tastebuds (Ocean Group)	Moosify	Develops mobile apps to help young urban singles get in touch with like-minded people through music and places.	
Taylor Corporation	MentorMate	Operates as an app development company to imagine, design and deliver custom software solutions for mobile enterprises.	
Ticketfly	WillCall	Provides a ticketing app for iPhone and Android to purchase last minute tickets for shows and concerts.	
TractManager (Arsenal Capital)	MD Buyline (SFW Capital)	Provides supply chain management solutions to hospitals and healthcare providers to make clinical and financial decisions.	
Tune	MobileDevHQ	Provides a solution to analyze and optimize the app store presence of an app.	
Vendor Credentialing Service (CapStreet)	Medkinetics and Payor Enrollment Services	Providers of innovative SaaS solutions for healthcare organizations.	
Yahoo!	Zofari	Provides mobile city guide apps to offer recommendations for local venues based on user preferences.	
YouTube (Google)	Directr	Develops a mobile app that enables users to create videos on their phones.	

About Joseph Sanborn



Joseph Sanborn, Managing Director and Head of Technology with JEGI, joined the firm in July 2014. Mr. Sanborn has extensive strategic advisory experience across mobile, software, digital media and tech-enabled services, having established and built successful M&A practices at two firms. With nineteen years of investment banking experience, Mr. Sanborn has advised clients on numerous transactions, including mergers, acquisitions, divestitures, recapitalizations and strategic investments. During his career, he has completed deals involving major corporations, such as Samsung Electronics, Research in Motion, Siemens, Xerox, Avaya, First Data Corporation, Honeywell, Illinois Tool Works, Bosch, Verifone, Dupont and Merck, as well as a number of venture-backed and founder-owned companies.

Most recently, Mr. Sanborn was Managing Director and Head of M&A at Rutberg & Company, where he provided strategic advisory services to leading companies in the mobile and digital media sectors. Previously, Mr. Sanborn served as Managing Director and Co-Head of the Software, Internet and Services Group at SVB Alliant, an affiliate of Silicon Valley Bank. Prior to SVB, he led the technology services M&A practices at both Robertson Stephens and Jefferies & Company. Mr. Sanborn began his investment banking career at J.P. Morgan.

Before beginning his investment banking career, Mr. Sanborn served in the White House and the United States Senate. He received a BS in Business Administration from Georgetown University and a Masters in Public Policy from Harvard University. In addition, Mr. Sanborn is a Trustee/Board Observer for the Massachusetts Technology Leadership Council, the region's leading technology association and network for technology executives, entrepreneurs and investors.

About The Jordan, Edmiston Group, Inc.

The Jordan, Edmiston Group, Inc. (JEGI), headquartered in New York, NY, has been the leading independent investment bank for the global media, information, marketing and technology sectors for nearly 27 years. The firm has completed over 500 high-profile M&A transactions for global corporations; middle-market and emerging companies; entrepreneurial owners; and private equity and venture capital firms. For more information, visit www.jegi.com.

Select Recent JEGI Technology Transactions

<p>RKG a leading tech-enabled search and digital marketing agency</p> <p>has been sold to</p> <p>MERKLE</p>	<p>DISTIMO a leading mobile app market intelligence and analytics provider</p> <p>has been sold to</p> <p>App Annie</p>	<p>Competitrack a full service competitive advertising tracking firm</p> <p>has been sold to</p> <p>MarketTrack The Power of Market Intelligence a portfolio company of</p> <p>AURORA CAPITAL GROUP</p>	<p>MWG MYWEBGROCER a leading provider of shopping and shopper marketing software and services</p> <p>has received a significant investment from</p> <p>HGGC</p>	<p>MEDIABOX SaaS-based applications for the consumer products licensing industry</p> <p>has been sold to</p> <p>JOTAS Software for Life</p>
<p>infogroup a portfolio company of CCMP</p> <p>has sold</p> <p>OneSource the leading provider of sales enablement and business intelligence SaaS solutions</p> <p>to</p> <p>CANNONDALE INVESTMENTS & GTCR</p>	<p>ePrize a global leader in digital engagement specializing in promotions and loyalty campaigns across mobile, social and web</p> <p>has been sold to</p> <p>CATTERTON partners</p>	<p>CONVERSEN a SaaS marketing platform (CRM) for real-time, multi-stage, and multi-channel marketing including social media, email, and mobile</p> <p>has been sold to</p> <p>Experian</p>	<p>travidia a leading developer of online shopping solutions for local media</p> <p>has been sold to</p> <p>a consortium of eight leading media and publishing companies: ADVANCE DIGITAL, A.H. BELO CORPORATION, COX MEDIA GROUP, GANNETT CO. INC., HEARST CORPORATION, MEDIA NEWS GROUP, THE McCLATCHY Co., and THE WASHINGTON POST</p>	<p>The Retail Equation the leading SaaS platform for retail transaction optimization solutions</p> <p>has been sold to</p> <p>NVP NORWEST VENTURE PARTNERS.</p>

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