

## Tech M&A Update

Welcome to the inaugural issue of The Jordan, Edmiston Group's (JEGI's) ongoing series of Tech M&A Updates. In this and subsequent issues, we will highlight important themes illustrated by M&A transactions announced during the preceding period, across the software and technology markets served by JEGI.

JEGI's primary technology focus is on "content-centric software" – any type of technology platform or software that enables information delivery, workflow and analytics, whether B2B or B2C (see Figure 1). This focus best leverages the breadth of JEGI's activities and C-level executive network, as well as the diversity of our individual backgrounds, viewpoints and sector coverage.

**FIGURE 1 – JEGI Tech Coverage – Content-Centric Software**

<p><b>"Big Data"</b> <i>(monitoring, analytics, management)</i> • E-Commerce • Social • Marketing</p>	<p><b>Marketing Technology</b> <i>(adtech, analytics, automation, resource management)</i></p>	<p><b>Vertical Software</b> <i>(media, healthcare, fintech, energy, logistics, government, compliance)</i></p>
<p><b>Content Management</b> <i>(DAM, MDM, document, product)</i></p>	<p><b>Enterprise Applications</b> <i>(CRM, CEM, ERP, SCM, PLM)</i></p>	<p><b>Business Intelligence</b></p>
<p><b>E-Learning/Online Education</b></p>	<p><b>Mobile Applications</b></p>	<p><b>SaaS-Enabled Reference Data</b></p>

In August, 52 transactions were captured in "JEGI Tech Coverage" sectors. In this Update, we highlight ever increasing M&A activity in Big Data, particularly in social media and e-commerce monitoring and analytics, as well as continued vibrancy in online education (or e-learning).

**Big Data.** No segment of tech is generating more buzz than this one. While not a new concept (SAS was processing agricultural "Big Data" as early as the 1960's), it is the exponentially growing volume of data (now measured in exabytes ( $10^{18}$ )), its real-time nature (vs. static batch-driven BI (Business Intelligence)) and the democratization of its sources (e.g., social, Internet, e-commerce, etc.) that are rapidly changing the software game and creating massive shifts in the surrounding vendor landscape.

Pure Big Data 2.0 superstars, such as Tableau Software, are still few, but traditional software vendors from almost every corner of the enterprise software/Internet stack, including Oracle, IBM and Google, have converged on the segment, acquiring quality upstarts, particularly in social media, marketing, e-commerce and B2C consumer analytics. Since 2011, we have seen a number of \$100+ million Big Data acquisitions, such as SAP-Hybris, Salesforce.com-Radian6, HP-Autonomy, Huntsman Gay-MyWebGrocer, as well as smaller deals (under \$100 million). And, the trend continues, with five transactions in August, including NICE Systems' purchase of Causata (customer data analytics) and Dynamite

Data's acquisition by Market Track (e-commerce data monitoring). Although these recent deals were not of size, the sheer volume (nearly 10% of all M&A transactions in "JEGI Tech Coverage") is impressive. And, there is much more to come. In fact, we predict several \$100+ million transactions in this sector over the next six to 12 months, with some household names in the mix.

**E-Learning 2.0.** We have been following e-learning companies since their early days, including SkillSoft, Smartforce and NETg (today, all part of one company), and even then there was much discussion about the "socialization" of corporate education. Now, the much-anticipated convergence of corporate LMS and instructor-led learning, on the one hand, and social media-based knowledge share, on the other, is underway. There were six education technology transactions in August, none too large, but Twitter's acquisition of Marakana (in the context of Twitter University) is quite telling. Marakana will be used initially as a platform for internal engineer training at Twitter, but the odds are that, over time, the micro-blogger (and other social media majors) will start exposing learning content (and not just in IT) to their users broadly and, perhaps, even providing social learning solutions to corporate clients. Traditional corporate e-learning and LMS vendors, as well as online universities, watch out!

These are our brief highlights for August. Stay tuned for the next issue, and please don't hesitate to reach out to us to discuss any topics related to "JEGI 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)
Thoma Bravo	Intuit Financial Services (Intuit)	Provides a suite of on-demand financial management and proprietary software solutions for financial institutions.	\$1,025.0
SAP	Hybris	A vendor of multi-channel communication and commerce software solutions.	\$1,000.0
Millennial Media	JumpTap	Operates a mobile audience targeting platform that provides audience-centric advertising solutions to reach mobile users.	\$232.0
Medtronic	Cardiocom	Develops telemonitoring products and services for heart failure, diabetes, asthma, and other complex conditions.	\$200.0
GoDaddy	Locu	Develops data solutions to enable local businesses to manage their online presence, and developers to build apps around local data.	\$70.0
Yahoo	RockMelt	Creates desktop browser software that performs social reader and browser-related tasks.	\$65.0
Pluralsight	Train Signal	Offers online IT training.	\$23.6
Apple	Matcha.tv	Provides a social discovery app for users to follow movies and TV shows across services such as Netflix, iTunes, Hulu, and Amazon.	\$10.0
Ebiquity	Stratigent	Provides multi-channel analytics services.	\$8.5
IMS Health Canada	Diversinet Corp., Certain Assets	Includes software assets of the mobile health company.	\$3.5

Buyer	Seller	Target Description	Enterprise Value (\$mm)
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### *Deals without Announced Values*

3D Systems Corp.	VisPower Technology	Develops on-demand project management software for products design and engineering services.	
Abila (Accel-KKR)	Avecetra (Sterling Partners)	Provides association management software to engage members, plan and execute events, manage awards programs, and more.	
Appcelerator	Singly	Develops software platforms and services for personal data.	
Apple	Embark	Develops mass transit mobile apps for iPhone and Android.	
Appurify	CISimple	Operates a platform that helps mobile developers to build, test, and deploy mobile applications.	
Artemis Energy Holdings	WooEB	A web-based content platform for businesses to create their own unique URLs, banner ads, SEM applications, etc.	
Bonzi Technology	GameOfficials.net	Offers software for sports organizations for registration, scheduling, training, and payment processing.	
CSC	Infochimps	Provides tools and systems to manage and access data.	
DecisionHealth	Contexo Media (Dorland Health)	Provides software and e-learning products for medical practices in the areas of reimbursement, coding and compliance.	
Demme Learning	KinderTown	Operates as an educational application store for parents to find applications for preschoolers and young children.	
eHealth Solutions	6N Systems	Provides an integrated suite of EMR and financial software for the long-term care market.	
Facebook	Mobile Technologies	Develops and delivers speech translation technology to mobile devices and tablets.	
First Databank	Design Clinicals	Develops software solutions for physicians and clinicians in the US.	
Groupon	Plumfare	A mobile restaurant-discovery app.	
HealthTech Solutions Group	Gaffey and Associates	Provides revenue cycle solutions to hospitals in the US.	
Human Kinetics	Desert Southwest Fitness	Provides online continuing education courses for health and fitness professionals.	
Instagram (Facebook)	Luma	A video-capture, stabilization and sharing app.	
Litera Corp.	AxxiTRIALS (Axxiem Web Solutions)	A platform for life sciences companies and clinical research organizations for patient recruitment and clinical operations.	
Logibec Groupe Informatique	ReaEvolution	Engages in the development of tools to support the work of clinicians at bedside.	
LookSmart	Syncapse Corp.	Offers social media management software/services to marketing firms to build, manage and measure social media marketing.	
Market Track (Aurora Capital Group)	Dynamite Data	Provides a platform to monitor e-commerce data in real time.	
Merck Global Health Innovation	Physicians Interactive	Provides healthcare information, medication samples, and mobile decision support tools for medical professionals.	
NBC News (Comcast)	Stringwire	An early stage web service that enables the posting of user-generated videos from mobile devices.	

Buyer	Seller	Target Description	Enterprise Value (\$mm)
NICE Systems	Causata	Develops software that connects, assembles and transforms customer data into portable real-time intelligence.	
Occasions Group (Taylor Corporation)	Red Stamp	A mobile app to personalize invitations, stationary, postcards, and more, and share through texts, tweets, emails, Facebook, etc.	
Orange Health Solutions	ExtendMD	Develops communication software that allows patients to send at-home readings directly to their physicians.	
Parallon Business Solutions	Vision Consulting	Provides strategic assessment, system implementation, and clinical impact analysis services.	
Parthenon Capital Partners	Bracket	Provides clinical services and clinical technology solutions for various clinical trials.	
Pharmaceutical Product Development	Acurian	Provides solutions needed to recruit, enroll, and retain patients for clinical trials.	
Qualifacts Systems	Mitchell & McCormick, Behavioral Health	Comprises the behavioral health business, including the electronic health record software and tools.	
RichRelevance	Precog	Enables developers to capture and enrich multi-structure data, and perform analytics, statistics, and predictive modeling.	
SSI Group	Claimsnet.com	A provider of Internet-based claim processing solutions and payer connections.	
SSI Group	Medtelligence	A leading provider of business intelligence tools, reports and dashboards to the surgery provider market.	
Steve Malik, Founder & CEO of Medfusion	Medfusion	Provides patient-provider communications solutions for physician practices.	
Turning Technologies (Brockway Moran)	eInstruction (Leeds/HarbourVest/GE Capital)	Offers educators software for student response systems, interactive whiteboards/tablets, and other tools.	
Twitter	Locomatix	Operates a unified platform for real-time stream and analytic data processing.	
Twitter	Marakana	Provides training services on open source software solutions and agile practices to IT professionals.	
Verisae (Marlin Equity Partners)	WorkOasis	Provides a cloud-based maintenance management software platform for faculty managers in real estate.	
WebWiseTutors	California Tutor Network	Offers online tutoring services.	
XIFIN	PathCentral	Provides a range of technology-based solutions and services for community pathologists.	
Xtari	RhinoSEO	Creates software for lead management, email marketing, web analytics, and form building tools.	
Yahoo	IQ Engines	An image recognition engine to label photos and monetize images by matching them to retailers, advertisers and photo publishers.	

## About Daniel Avtrusky



Daniel Avtrusky, Managing Director and Global Head of Technology at JEGI, joined the firm in February 2013 to lead its M&A advisory practice in technology and software, focused on the US, Europe and Israel.

Mr. Avtrusky has 17 years of experience in global technology M&A. Prior to joining JEGI, he was Founder and Managing Partner of Avrika Group, where he provided cross-border advisory services to US-based and European clients seeking technology investments and M&A opportunities in Eastern Europe. Mr. Avtrusky continues to be an independent member of the Grant Committee of the Skolkovo Foundation, Russia's largest technology development agency. For the prior five years, Mr. Avtrusky was with Perella Weinberg Partners in New York, most recently as a Managing Director in the firm's technology practice. He started his career

at JP Morgan and held various positions at Salomon Brothers, Bank of America and Warburg Pincus.

Mr. Avtrusky holds a BA with cum laude in Mathematics and Economics from Duke University and an MBA from Stanford University Graduate School of Business. He also studied Mathematical Economics and Computer Science at Moscow State University.

## About The Jordan, Edmiston Group, Inc.

The Jordan, Edmiston Group, Inc. (JEGI) of New York is the leading independent investment bank for the media, information, marketing and technology sectors. Since 1987, JEGI has completed more than 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](http://www.jegi.com).

## Selected Recent JEGI Technology Transactions

**MWG**  
MYWEBGROCER  
a leading provider of shopping and shopper marketing software and services  
has received a significant investment from  
**HGGC**

**infogroup**  
a portfolio company of  
CCMP  
has sold  
**OneSource**  
the leading provider of sales enablement and business intelligence SaaS solutions  
to  
CANNONDALE INVESTMENTS & GTCR

**My MEDIABOX**  
SaaS-based applications for the consumer products licensing industry  
has been sold to  
**Jonas**  
Software for Life

**ePrize**  
a global leader in digital engagement specializing in promotions and loyalty campaigns across mobile, social and web  
has been sold to  
CATTERTON | partners

**CONVERSEN**  
a SaaS marketing platform (CRM) for real-time, multi-stage, and multi-channel marketing including social media, email, and mobile  
has been sold to  
**Experian**

**The Retail Equation**  
the leading SaaS platform for retail transaction optimization solutions  
has been sold to  
**NVP**  
NORWEST VENTURE PARTNERS.

**JOURNALISM ONLINE**  
a leading provider of e-commerce solutions to publishers via  
**PRESS+**  
has been sold to  
**RR DONNELLEY**

**@-Behavior**  
the leading provider of consumer shopping predictive targeting data  
has been sold to  
**KBM GROUP**  
a division of  
**WPP**

**Accela COMMUNICATIONS**  
a leading marketing technology company providing interactive video communications  
has been sold to  
**kitdigital**  
voice of the future

**acerno**  
an online behavioral targeting network  
has been sold to  
**Akamai**  
for approximately \$95,000,000

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