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INDEPENDENT INVESTMENT BANKING FOR MEDIA,
INFORMATION, MARKETING & TECHNOLOGY

Tech M&A Update – Retail Promotion & Marketing Technology

This month's letter is written by Tolman Geffs, Co-President (see bio below)

Retail promotion & marketing technology is seeing a surge of innovation and M&A. Innovation has been driven by widespread adoption of mobile and tablet devices for discovery and shopping, while M&A is propelled by the increasing maturity of these models and the drive by major players to achieve relevant scale with retailers. Merchants – both offline, online and “omni-channel” – need to move large amounts of inventory every day at relatively low margins, so performance at scale is everything; while the detailed and awkward complexity seen in much of “ad tech” is resisted, because it doesn't scale.

Case in point: JEGI recently advised The Rimm-Kaufman Group (RKG) on its sale to Merkle. RKG is the largest independent search agency and the leading provider of search marketing services to major online retailers. Merkle, a major database marketer with a large base of customers in retail, also owns a rival retail-focused search agency. RKG has seen remarkable growth, driven in part by mobile adoption – mobile comprises 30% of search traffic and rising for RKG retailers. And while mobile phones remain predominantly a discovery tool, search-driven purchases on tablets are booming, with revenue per click matching or exceeding desktop and laptop devices. The combination of Merkle and RKG will create a customer acquisition platform for retailers of even more significant scale, and some very interesting new opportunities, given Merkle's formidable capabilities in CRM and big data.



Indeed the goal that many providers in the space are pushing toward is “always-on CRM” at massive scale. Retailers are looking for assistance in building end-to-end capabilities to identify and attract both prior customers and the best new prospects, present the best message in the most convenient format, optimize the site and shopping experience, and track the results through to revenue and ROI. Unlike the broader “marketing stacks” developed by the major software players like Adobe, Salesforce, Oracle and IBM, this “retail stack” will be highly tuned to the unique needs of merchants for whom driving transactions at scale is the only objective.

Another case in point (conveniently, another JEGI transaction) is MyWebGrocer, the largest provider of ecommerce software to the grocery industry, with about half of all US chains as customers. MyWebGrocer delivers targeted CPG advertising on its local grocer platforms and then tracks the results through to in-store sales via point-of-sale (POS) data linked to customer loyalty cards. Grocery is the largest US retail sector and oddly the one least penetrated by ecommerce, but adoption of MyWebGrocer software, plus competitive pushes by Amazon and Wal-Mart into online grocery shopping, are changing that quickly. And this transaction (the sale of MyWebGrocer to HGGC) points to another significant driver of growth – the very large shopper and retail promotion marketing budgets that manufacturers are prepared to shift into digital channels that are closely aligned with retailers and that can deliver measurable performance, again at all-important scale.

The last few months have seen a series of interesting transactions related to retail promotion: Twitter acquired TapCommerce, a mobile ad retargeter; WalmartLabs acquired Stylr, a local fashion search tool; Groupon bought SnapSaves, a

mobile app for grocery store couponing and rebates; to name a few. And given our current work with clients, JEGI expects a wave of further acquisitions, as major players acquire capabilities and midsize players push for scale in digital marketing services to retailers.

These are our brief highlights for July. 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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June M&A Transactions in JEGI Tech Coverage

Buyer	Seller	Target Description	Enterprise Value (\$mm)
<i>Deals with Values (by size)</i>			
Insight Venture Partners, GIC Special Investments	iParadigms (Warburg Pincus)	Develops cloud-based educational technologies for plagiarism prevention and content verification applications worldwide.	\$752
WEX	Evolution1 (Genstar Capital)	Provides electronic payment, on-premise and cloud computing healthcare solutions.	\$533
IMS Health	Cegedim Info Solutions & CRM Businesses	Comprises information solutions and CRM solutions for the healthcare and life sciences industries.	\$523
Opera Software	AdColony (Jirbo)	Operates a video advertisement network that develops mobile video platforms.	\$350
Amobee (SingTel)	Adconion	Comprises the North American and Australian businesses of Adconion, an online advertising network.	\$229
Amobee (SingTel)	Kontera Technologies	Operates as a digital content intelligence and marketing technology company.	\$150
Genstar Capital	Asset International	Operates as a B2B information and technology company that provides solutions for financial advisers, banks, funds, etc.	\$125
Emdeon	Capario (Marlin Equity)	Provides revenue cycle management solutions that connect healthcare providers and payers.	\$115
Twitter	TapCommerce	Provides mobile ad retargeting solutions.	\$100
Perion Network	Grow Mobile	Provides mobile marketing services.	\$42
Blackbaud	WhippleHill Communications	Provides targeted communications software solutions for schools.	\$35
Chegg	InstaEDU	Provides on-demand video tutoring services to high school and college students.	\$30
Marin Software	Perfect Audience	Offers tools to retarget consumers across the Web through social ad exchanges.	\$23
Globo	Sourcebits	Provides mobile app development services.	\$20
Entravision Communications	Pulpo Media	Offers advertisers a proprietary technology platform to individually engage Hispanics across the Web.	\$18
ViaLogy	Premaitha Health	Develops prenatal diagnostic products for molecular testing labs.	\$18
MasteryConnect	Socrative	Provides a student response system that allows teachers to engage their classrooms through smartphones and tablets.	\$5

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

Acquia	TruCentric	Operates a SaaS personalization software platform for content marketers and web publishers.	
AppNexus	Alenty	Offers display ad viewability measurement services.	
Availity	RevPoint Healthcare Technologies	Provides revenue cycle management solutions for healthcare providers.	
BioClinica	Blueprint Clinical	Offers risk-based monitoring technology for clinical data managers, clinicians, monitors and executives for clinical trials.	
Box	Greply	Provides a cloud-based file-management service.	
ConneCTV	tweetTV	Operates a real-time social TV guide, showing users what's trending and creating tweet-based social interactions.	
Cumberland Consulting Group	Cipe Consulting Group	Provides healthcare IT services in the areas of business intelligence, optimization, remote support and revenue cycle.	
Dropbox	Photo Lab	Designs and develops messaging apps for iOS, Android and Web, including Droptalk, a stealth messaging startup.	
Elsevier	Amirsys	Provides healthcare solutions in radiology and pathology for diagnostic decision support.	
Facebook	Pryte	Allows consumers without wireless data plans to use certain apps by selling "bite-sized data packages".	
Farmplan (Reed Business Information)	Farmade Management Systems	Provides agricultural software and workflow solutions.	
Google	mDialog	Manages, delivers and measures video advertising across IP-connected devices, including iPhone, Android, GoogleTV, Roku, etc.	
Groupon	SnapSaves (Buytopia)	Offers a mobile app that enables users to take photos of their grocery receipts and receive refunds on select products.	
HealthPort (ABRY, Brightwood Capital)	HealthTech Services and Consulting	Provides medical record process consulting and document management solutions for the healthcare industry.	
Healthtrust Purchasing Group	Cardiac Data Solutions	Offers solutions with analytics, consultation services, research, etc. to the cardiovascular, orthopedic and spine service lines.	
HERE Maps (Nokia)	Medio Systems	Provides predictive analytics for mobile apps.	
Innovative Interfaces (HGGC, JMI Equity)	VTLS	Provides library automation solutions with visionary technology.	
Intermedix Corp. (Thomas H. Lee)	T-System Medical Billing Business	Provides emergency physician billing and practice management solutions and services.	
John Wiley & Sons	SimBioSys	Designs and develops 3-D molecular modeling software solutions for the pharmaceutical drug discovery industry.	
KPMG	Zanett	Provides customized information technology solutions to corporations and mid-market companies.	
Loop	CAR Research	Provides single-source CRM and Web solutions.	
Mediware Information Systems (Thoma Bravo)	Harmony Information Systems	Develops systems that help state and local agencies track long-term care policies.	
Medytox Solutions	Globalone Information Technologies	Offers medical transcription and billing services to healthcare practitioners.	

Buyer	Seller	Target Description	Enterprise Value (\$mm)
Moody's Analytics	WebEquity Solutions (Alpine, Rational Equity)	Provides on-demand lending software solutions to banks, credit unions, examiners, consultants, etc.	
Net Health Systems (Spectrum Equity)	Rehab Documentation	Provides therapy documentation, scheduling and business intelligence software for outpatient rehabilitation programs.	
Northstar Travel Media (Wicks Group)	Inntopia.com	Provides e-commerce reservation technology to destination marketing organizations, ski resorts, tour operators, etc.	
Oracle	LiveLOOK	Provides cloud-based customer collaboration tools deployed by insurance, retail, technology and financial services industries.	
Path	TalkTo	Offers a software that enables users to send text messages straight to businesses.	
Physicians Interactive	MedHelp International	Owns and operates an online health community to share medical information with others in need.	
Press Ganey Associates	National Database Nursing Quality Indicators	Provides hospitals with nursing unit-level comparison data on various quality measures.	
Priceline Group	buuteeq	Provides a SaaS/cloud digital marketing system (DMS) for independent hotels worldwide.	
Rdio	TastemakerX	Develops a social music mobile app that enables users to discover artists and trends.	
Search Agency (JMI Equity)	MoFuse	Offers a SaaS platform that helps small businesses build mobile sites, mobile landing pages, microsites and forms.	
Time Inc.	Cozi (Gannett)	Offers web services to help families manage schedules, track shopping and to do lists, organize households chores, etc.	
TrialScope	Deloitte Analytics	Includes PharmaCM business, which provides technology solutions for clinical trial registration and transparency.	
Twitter	Namo Media	Offers online advertising services for mobile apps.	
Twitter	SnappyTV	Operates a cloud-based live video platform that makes TV and live streams to share on Web, mobile and social platforms.	
Undertone Networks (JMI Equity)	Upfront Digital Media	Provides a cloud-based media buying platform for forecasting audiences at scale with direct programmatic publisher integration.	
VertitechIT	Health Technology Solutions	Operates as a technology consulting company for the healthcare industry.	
WalmartLabs (Wal-Mart Stores)	Stylr	Develops a mobile shopping app for iPhones that helps users search for fashion available in their local stores.	
WhiteGlove House Call Health	Glenridge Healthcare Solutions	Provides professional and consulting services to facilitate optimal payer and provider engagement in healthcare organizations.	
WideOrbit	Abacast	Offers online streaming and advertising solutions, as well as analytics services.	

About Tolman Geffs



Tolman Geffs, a Co-President with JEGI, represents online media, interactive marketing services, and technology companies, as well as broader media businesses seeking to expand in high growth new media markets.

Mr. Geffs brings a unique combination of experience as a CEO and business builder in both traditional and new media companies, as well as in corporate finance and M&A. Prior to joining JEGI in 2004, Mr. Geffs was CEO of Internet Broadcasting Systems, a national network of 70 local television Web sites operated in partnership with NBC, Hearst, The Washington Post Company and other major broadcasters. With a staff of 250, IBS remains one of the earliest old/new cross-media platforms to achieve both scale and profitability.

Previously, Mr. Geffs held a series of senior executive positions in magazine publishing. He began his career in the M&A department of Lehman Brothers, and also consulted for media companies with McKinsey & Company. Mr. Geffs earned an MBA from Harvard Business School as a Baker Scholar and a BA in English and a BS in Engineering Physics with Honors from the University of California at Berkeley.

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 search and digital marketing agency</p> <p>has been sold</p> <p>to</p> <p>MERKLE</p>	<p>DISTIMO a leading mobile app market intelligence and analytics provider</p> <p>has been sold</p> <p>to</p> <p>App Annie</p>	<p>Competitrack a full service competitive advertising tracking firm</p> <p>has been sold</p> <p>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</p> <p>a significant investment from</p> <p>HGGC</p>	<p>MEDIABOX SaaS-based applications for the consumer products licensing industry</p> <p>has been sold</p> <p>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</p> <p>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</p> <p>to</p> <p>Experian</p>	<p>traVidia a leading developer of online shopping solutions for local media</p> <p>has been sold</p> <p>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</p> <p>to</p> <p>NVP NORWEST VENTURE PARTNERS.</p>

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