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INDEPENDENT INVESTMENT BANKING FOR MEDIA,
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Tech M&A Update – A Diverse Mix of Technology Transactions Driven by PE

This month's letter is written by Amir Akhavan, Managing Director (see bio below)

In October, we saw significant activity across several different verticals within technology M&A, including such diverse markets as e-commerce & payments, media intelligence and event housing. While strategic companies are still quite active in the marketplace, more and more private equity firms are committing to building scale via technology roll-ups, which are expected to generate both top line growth and multiples expansion...needless to say, PE is expecting rich exits for these tech roll-ups!

E-COMMERCE & PAYMENTS

The Apax acquisition of Answers Corporation (for almost \$1 billion) is a prime example of impressive value creation over a quick acquisition sprint, which many groups are looking to replicate. Launched as a B2C site, Answers executed an ambitious M&A strategy, over a two year period – their acquisitions included ResellerRatings (ratings and reviews management), WebCollage (brand content syndication), Easy2 Technologies (interactive consumer experiences) and ForSee Results (customer experience analytics). Answers has been transformed into an end-to-end retail technology platform serving brands and retailers through content and information that helps drive engagement and more sales.

Recently, an investor group led by Siris Capital successfully bid \$840 million for Digital River, a leading provider of global Commerce-as-a-Service (CaaS) solutions, subject to a 45-day waiting period. Digital River provides commerce, payments and marketing solutions to B2B and B2C digital product and cloud service companies, as well as branded manufacturers across a variety of vertical markets. According to Digital River CEO Dave Dobson, working with Siris would enable Digital River to create the standard for global commerce technology and services.

Vista Equity Partners is acquiring payment processing company TransFirst for up to \$1.5 billion, according to *Reuters*. TransFirst is a leading provider of secure transaction processing services and payment enabling technologies. Led by CEO John Shlonsky, TransFirst is focused on growing their end-to-end technology platform and network of clients to become the leading provider of payment processing solutions in the SMB space.

These acquisitions highlight a fundamental investment thesis – there will be massive growth in online commerce and related transactions. It's no wonder...Alibaba generated \$9.3 billion in sales in one day – November 11, known as Singles Day – a manufactured holiday in response to Valentine's Day that is bigger than Black Friday and Cyber Monday combined, and is very popular in China. Expect to see more SaaS transactions bringing together platforms that deliver multiple products to a core group of clients...hello, vertical clouds.

MEDIA INTELLIGENCE

Building on the vertical cloud theme, GTCR-backed Cision acquired Gorkana Group, a top UK-based media intelligence and data insights service provider, for approximately \$320 million in October. Following on the heels of Cision's recent acquisition of Vocus, the combination with Gorkana will enable the new Cision to further expand its global PR and social software capabilities and bring the company closer to being a one-stop shop for PR tech – or what could be re-branded as the PR Cloud.

EVENT HOUSING SOFTWARE

And speaking of strategic companies continuing to be active acquirers, Viad Corp (NYSE: VVI), a company comprised of businesses that provide high-quality, place-based marketing services globally, acquired onPeak and Travel Planners, two leading event housing software and services platforms serving the global tradeshow and corporate event industries. JEGI conceived the strategy to sell both companies to the same buyer simultaneously and acted as their exclusive financial advisor, delivering exceptional value in the transaction process.

These are our brief highlights for November. 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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October M&A Transactions in JEGI Tech Coverage

Buyer	Seller	Target Description	Enterprise Value (\$mm)
<i>Deals with Values (by size)</i>			
Becton, Dickinson and Company	CareFusion	Provides various healthcare products and services, including enterprise IT, surveillance and analytics.	\$12,058
Vista Equity Partners	TransFirst	Provides payment transaction processing services and payment enabling technologies.	\$1,500
Apax Partners	Answers Corporation	An end-to-end retail technology platform serving brands and retailers through content and information to drive engagement.	\$900
Siris Capital Group	Digital River	Provides end-to-end cloud commerce, payments and marketing solutions.	\$840
OptumHealth (UnitedHealth)	Alere Health (Alere)	Provides health management and intelligence solutions.	\$600
Cision (GTCR)	Gorkana (Exponent Private Equity)	Provides media intelligence and insight services for PR firms, marketers and journalists.	\$323
Abbott Laboratories	Topera	Develops three dimensional electrophysiological mapping systems.	\$250
Cornerstone OnDemand	Evolv	Provides workforce optimization solutions through big data.	\$45
Proofpoint	Nexgate	Provides cloud-based social media security and compliance solutions.	\$35
ALPHAEON (Strathspey Crown)	TouchMD	Operates an interactive software platform for specialty physicians to educate patients before and after consultations.	\$22
Stamps.com	ShipWorks	Develops e-commerce shipping and order management solutions.	\$22
Social Reality	Steel Media	Provides display, mobile, video and email advertisement inventory to brands and ad agencies.	\$20
Qumu	Kulu Valley	Provides video content creation solutions.	\$15
Yahoo	MessageMe	Develops and offers a multimedia messaging application for mobile devices.	\$12
GB Group	Transactis	Provides marketing, fraud and customer management solutions to organizations in the UK.	\$10

Buyer	Seller	Target Description	Enterprise Value (\$mm)
Good Technology	Macheen	Provides a SaaS platform that brings mobile broadband and connected services to all devices.	\$9
Altus Group	Voyanta	Provides a SaaS data management and analytics platform for real estate investors and lenders.	\$7

Deals without Announced Values (alphabetical by buyer)

ABILITY Network (Bain Capital, Summit)	MD On-Line (Abingworth)	Provides electronic healthcare solutions to healthcare providers and payers.	
Affinity Solutions (Chestnut Hill)	zGo Media	Offers marketing technology solutions for small media businesses.	
Audience Partners	Bering Media	Provides location-based advertising solutions.	
Bertelsmann	Relias Learning (LLR Partners, Vista Equity)	Provides online training programs to senior care, health and human services, and law enforcement organizations.	
Box	Clariso	Provides data sharing and collaboration tools for the healthcare industry.	
Brickstream	Nomi	Provides an in-store optimization software platform for retailers.	
Buzzfeed	Torando Labs	Operates as a consumer web company with data and analytics services.	
Class Central	TFC Online	Offers and connects students worldwide to massive open online courses (MOOCs).	
Clearview Logix	Evenspring, Health Division	Provides healthcare related software development services.	
CX Act	Shopalytic	Offers virtual analyst tools for small and mid-sized e-commerce merchants, including plug-ins to help analyze shopping cart data.	
Deezer	Stitcher	Provides a mobile app for portable and personalized news and talk Internet radio.	
Digital Guardian	Armor5	Provides a cloud service that enables mobile workers to access enterprise content, data and apps safely through various devices.	
E. W. Scripps	WeatherSphere	Develops iOS device-based weather apps that allow users to find current weather conditions in the US.	
eBay	Rumgr	Provides an app that helps users buy and sell things in their area.	
Edmunds.com	CarCode	Provides a cloud-based SMS texting platform, tailored specifically to the needs of car dealerships.	
Ensignten	Anametrix (TVC Capital)	Provides cloud-based business analytics and marketing intelligence solutions.	
Farm Journal	Commodity Update	Operates as a mobile information technology company that delivers critical agricultural information to field workers.	
Francisco Partners	Vendavo	Develops and deploys price optimization and management solutions that help customers make better data-driven decisions.	
GES (Viad Corp)	onPeak and Travel Planners	Two leading event housing software and services providers.	<i>confidential (JEGI deal)</i>
Google	Firebase	Operates a scalable platform that allows developers to build apps without managing servers or writing server-side code.	
GungHo Online Entertainment	PlayPhone	Develops and distributes mobile entertainment content for gamers worldwide, including a social gaming platform.	

Buyer	Seller	Target Description	Enterprise Value (\$mm)
Hodges-Mace Benefits (Dowling, Stone Point)	ContinuousHealth	Designs, builds and implements software for the healthcare industry.	
Hodges-Mace Benefits (Dowling, Stone Point)	SmartBen	Offers cloud-based software tools that guide employees in benefits education and enrollment.	
if(we)	Tinode	Develops and provides a mobile messaging app.	
Kitara Media	Future Ads	Operates a digital media platform for online advertising and publisher monetization.	
KualiCo.	rSmart Group, SaaS Business	Comprises the SaaS business of the education software company.	
Leeds Equity Partners	iModules Software	Provides software solutions to manage online marketing initiatives.	
LexisNexis (Reed Elsevier)	Moreover Technologies	Provides media aggregation services that track and organize business news, broadcasts and social media coverage.	
Life360	HelloWorld	Develops a location sharing app that lets users say what they're doing, but the messages self-destruct after 24 hours.	
Maple Power Capital	Intrinsic Medical Imaging	Develops and provides three dimensional medical visualization and image analysis software.	
MDX Medical	Compass Healthcare Advisers	Provides a platform to educate patients about the price differentials for common inpatient and outpatient services.	
MediaMath	Upcast	Provides social advertising technology solutions for global advertisers and agencies.	
Medidata Solutions	Patient Profiles	Develops software focused on clinical data analytics in clinical trials.	
Moody's	Lewtan Technologies (DMGT)	Provides content and technology-based solutions for members of the asset-securitization industry.	
MWW	Ideation	Develops software and online platforms for technology startups.	
Mystery Researchers (Source Capital)	Beyond Hello	Provides customer service measurement and online data reporting.	
New Mountain Capital	HealthPort (ABRY Partners)	Provides release of information services and audit management and tracking technology for hospitals and health systems.	
NexTech Systems (Francisco Partners)	MDIntelleSys	Designs, develops and markets healthcare solutions and software for ophthalmologists.	
Nielsen	Affinnova	Provides marketing optimization software that enables marketers to develop products, ads and designs.	
Numecent Holdings	Appoxy	Develops a cloud managed gaming infrastructure platform for game developers, publishers and aggregators.	
Ooyala (Telstra)	Videoplaza	Develops a sell-side ad serving and management platform for broadcasters, video publishers and ad networks.	
PerkinElmer	Ceiba Solutions	Develops informatics platforms and offers managed services to life sciences and healthcare companies.	
Pretio Interactive	Tap for Tap	Provides a platform for mobile app developers that helps them to grow their businesses.	
Prolifics (SemanticSpace)	Stream Integration	Offers information lifecycle consultancy services, including enterprise analytics, big data and information management.	
Redfin	Walk Score	Provides mobile neighborhood maps to the real estate industry.	

Buyer	Seller	Target Description	Enterprise Value (\$mm)
Seniorlink	Vayu Technologies	Offers a tele-care management platform for interdisciplinary teams to manage patients.	
Sparkpr	Socialarc	Provides a big data technology platform designed to collect, organize and derive meaning from sets of social data.	
Starcom MediaVest (Publicis)	RUN	Develops and provides apps for advertising on mobile devices.	
Turnitin (iParadigms)	LightSide Labs	Designs and develops machine learning platforms that assess student writing.	
Vista Equity Partners	NAVEX Global	Provides employee compliance training software and solutions.	
Zenovia Digital Exchange	AdJuggler	Develops an on-demand digital ad platform for advertisers, publishers and networks.	
Zift Solutions	Marketing Advocate (Teakwood Capital)	Provides a SaaS-based multi-touch nurture marketing system to deliver sales-ready opportunities for channel marketers and resellers.	

About Amir Akhavan



Amir Akhavan, Managing Director with JEGI, advises tech, marketing services, interactive and information companies in mergers, acquisitions and divestitures. He is known for delivering high-value strategic advice to entrepreneurs, PE firms, VCs and strategics, as they evaluate and seek to stay at the forefront of rapidly changing markets.

Mr. Akhavan is especially passionate about working with entrepreneurs, as they develop market disrupting businesses. His domain expertise extends to social media and technology across the marketing stack; he recently wrote “The Social Media Ecosystem - Rise of Users, Intelligence and Operating Systems”, published by the Interactive Advertising Bureau.

Mr. Akhavan is also a member of JEGI Capital, the firm’s PE fund - successful exits included Aprimo (board observer, acquired by Teradata) and I-Behavior (acquired by WPP). Prior to joining JEGI in 2005, he was at Deloitte Corporate Finance in the media and entertainment M&A investment banking group and also worked with Deloitte Consulting on strategy engagements. Previously, Mr. Akhavan worked in EY’s Assurance and Advisory Business Services practice, focusing on Technology, Media and Telecom.

Mr. Akhavan earned his Master’s from the University of Virginia as an Ernst & Young YMP scholar and his Bachelors in Corporate Finance from the University of Southern California (USC). He is a member of the USC Board of Governors and received the USC Alumni Association’s Presidents Award. Mr. Akhavan is a certified Financial Industry Regulatory Authority (FINRA) representative, a CPA and a Big Brothers Big Sisters of New York mentor.

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>ONPEAK a leading event housing software and services provider</p> <p>has been sold to</p> <p>GES Global Experience Specialists... a subsidiary of</p> <p>VIAD</p>	<p>TRAVEL PLANNERS a leading event housing software and services provider</p> <p>has been sold to</p> <p>GES Global Experience Specialists... a subsidiary of</p> <p>VIAD</p>	<p>RKG a leading tech-enabled search and digital marketing agency</p> <p>has been sold to</p> <p>MERKLE</p>	<p>VIVANEX a leading provider of mobile workforce management solutions for field service</p> <p>has been sold to</p> <p>VERISAE a portfolio company of</p> <p>MARLIN EQUITY PARTNERS</p>	<p>DISTIMO a leading mobile app market intelligence and analytics provider</p> <p>has been sold to</p> <p>App Annie</p>
<p>Knowledge Advisors a pioneer and leading SaaS provider of talent analytics to HR and C-level professionals</p> <p>has been sold to</p> <p>CEB for \$52,000,000</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>JONAS Software for Life</p>	<p>infogroup a portfolio company of</p> <p>CCMP 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>mspot a pioneer and leader in mobile entertainment services</p> <p>has been sold to</p> <p>SAMSUNG</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>	<p>acerno an online behavioral targeting network</p> <p>has been sold to</p> <p>Akamai for approximately \$95,000,000</p>

*Some of the transactions highlighted above were completed by JEGI Managing Directors Joseph Sanborn and Jeff Becker, prior to joining the firm.

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