

RAPID GROWTH IN THE WORLD OF MOBILE PAYMENTS

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Today, the average American is more likely to leave home with a mobile phone than with a wallet. That's why a wide and diverse range of technology and payment giants are striving to become a leader in innovation for the emerging world of mobile payments and thereby drive greater customer loyalty.

The Roots of our Cashless Society

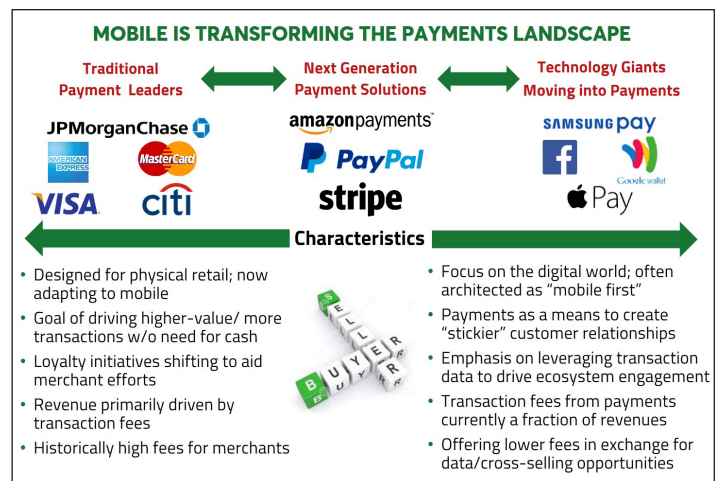
The incumbent payment leaders (e.g., American Express, Mastercard, Visa) pioneered our near cashless society, and today the average American, according to Experian, carries 2.24 bank-issued credit cards in their wallet. The modern credit card first appeared over 60 years ago, back in the day when Amazon just referred to a big, old river in South America. It was designed for the physical world and was conceived for business travelers as a safe and convenient alternative to carrying significant cash. Over the second half of the 20th century, credit cards went from being a special perk for "road warriors" to becoming a prerequisite for consumers to rent cars or book hotel rooms. Adoption soared across the U.S., and merchants quickly realized that offering customers the option to pay without cash increased a customer's average purchase; early studies by MasterCard have shown that mobile payments could further increase average consumer spending by as much as 30%.

The emergence of e-commerce in the dot.com era started to change the payment landscape, as next-generation payment companies focused on providing secure, frictionless transactions in an online world, where concerns about fraud and "card-not-present" transactions were high. Paypal, co-founded by visionary inventor/investor Elon Musk, defined this category of companies that were specifically built to support e-commerce transactions, often on their associated websites (from 2002-2015, eBay owned PayPal.) Over time, PayPal shifted increasingly from online to mobile transactions, driven by eBay users looking to immediately complete a transaction on their mobile phones at the end of an auction. In 2015, 28% of the 4.9 billion payments processed by PayPal were made on a mobile device.

Leveraging Transaction Data to Drive Customer Loyalty

Historically, credit card issuers have defined loyalty as getting holders to spend more on their cards (American Express Rewards being the most notable example). There were relatively few attempts to leverage underlying transaction data to help merchants drive more transactions. Recently, the mobile and "big data" orientation of the technology giants has been rapidly changing the payments sector. Companies like Apple, Samsung and Google focused initially on payments in a digital world, where they have an advantage with their "mobile-first" orientation, allowing them to create platforms to capture customer information, while facilitating the purchase of digital content. These companies are now entering the broader arena of payments with an eye towards leveraging the troves of transaction data generated daily to create much stickier relationships between customers and their underlying mobile-centric ecosystem (e.g., iOS, Android). Companies' mobile wallet platforms offer both payment convenience and loyalty rewards for consumers.

“**FORRESTER ESTIMATES THAT U.S. MOBILE PAYMENTS WILL GROW FROM \$52 BILLION IN 2014 TO \$142 BILLION BY 2019**”



RAPID GROWTH IN THE WORLD OF MOBILE PAYMENTS (CONTINUED)

The Collision of America's Giants

The worlds of payments and technology continue to converge, as consumers increasingly turn to their ever-present mobile phones for every need imaginable and merchants seek to gain more loyal customers. While some have questioned whether the large technology companies will sustain their efforts in mobile payments, several of them made significant acquisitions in 2015 to bolster their payment credentials. These transactions were largely driven by the technology giants' desire to augment their payment offerings for the digital world with a platform that also allows them to accept payments in the physical world. Samsung, for example, acquired LoopPay last year to enable its mobile wallet to be used in retail locations.

At the same time, traditional payment leaders, such as Visa, are aggressively looking to partner with leading private companies to bolster their mobile and "big data" capabilities, often through making strategic investments. As the tech giants look for an advantage against their Silicon Valley brethren, they are racing to partner with the incumbent payment leaders to drive domestic and international adoption, one example being the partnership announced late last year between American Express and ApplePay.

Lessons from an Industry Leader

As in any rapidly evolving industry, companies are looking to early success stories to gain insights into how they can develop their own mobile and loyalty offerings. It is hard to find a company that has transformed the customer experience through the use of mobile more than Starbucks, where today more than 20% of customers pay via mobile app.

Starbucks' success can be traced to a data-first strategy and a long history (going back to its now-ancient gift card program) of capturing and analyzing customer information to drive greater loyalty. In addition, the company has reimagined the simple act of buying a cup of coffee, providing a clear value proposition to its customer. Who would have thought, a few years ago, that you would pre-order and pre-pay for your coffee on your mobile phone...saving coffee-lovers some 10 minutes a day waiting in line?

Looking to Innovative Independent Solutions

Our excitement about mobile payments and loyalty stems from the tremendous growth that is expected in the sector, not to mention our meetings with many emerging companies that are bringing disruptive technologies to market. Both large payment and technology companies will continue to look to entrepreneurial companies for innovation, as well as mobile and big data expertise.

2016 Will Be a Breakout Year in Mobile Payments

U.S. retailers recently installed an upgraded payment infrastructure to support EMV "chip and pin" technology, which was needed to enable wider use of NFC transactions (i.e., the primary technology used by mobile devices for payments that previously had limited distribution in the U.S.). In response, merchants of all sizes are looking to transform their existing proprietary card-based and "punch-card" loyalty programs (how many sandwich and coffee shop loyalty cards do you have on your desk?) in an attempt to better engage their customers, particularly millennials who expect and demand such offerings from the retailers they frequent.

In addition, consumers are starting to see tangible benefits from making mobile payments, which is pushing usage beyond early adopters. Offerings such as AndroidPay are applying advanced data analytics to mine transaction data to deliver highly-relevant and personalized offers. Furthermore, the use of biometric capabilities on mobile phones is providing security benefits to both consumers and merchants, helping to reduce online fraud.

Forrester estimates that U.S. mobile payments will grow from \$52 billion in 2014 to \$142 billion by 2019. Given this statistic, along with all of the trends highlighted above, we expect 2016 to be a breakout year in mobile payments and loyalty, which will fuel significant M&A and investment activity.

RECENT STRATEGIC TRANSACTIONS DRIVEN BY MOBILE



“
NO SINGLE COMPETENCY IS ENABLING US TO ELEVATE THE STARBUCKS BRAND MORE THAN OUR GLOBAL LEADERSHIP IN MOBILE, DIGITAL AND LOYALTY
”

– HOWARD SCHULTZ, CEO, STARBUCKS

REPRESENTATIVE EXAMPLES OF INNOVATIVE INDEPENDENTS

Mobile Wallet / Payments	mCommerce Enablement	Loyalty & Digital Solutions
fonix	CARDINAL COMMERCE	CARTERA COMMERCE
ImpulsePay	JUMIO	bellly
boku	PAYPHONE	buzz POINTS
LevelUp	Somo.	Linkable
worldremit	Danal	PRIZELOGIC
VELOCITY	dashlane	cash:star
CARTA WORLDWIDE		session (m)
		edo
		COLLINSON GROUP

PRIVATE COMPANY SPOTLIGHT: ZOOMINFO

Each issue, we spotlight an interesting, emerging growth, privately-held company for our audience. As experienced tech investment bankers, we will highlight the key characteristics that enable these companies to be fast-developing market leaders and ultimately become compelling acquisition targets for strategic companies, as well as later-stage growth equity and private equity investors.

This month, our Private Company Spotlight shines on ZoomInfo, a leading B2B software platform that combines comprehensive business data with sales and marketing solutions. We interviewed Yonatan Stern, ZoomInfo's Founder, CEO & Chief Scientist, for his perspective on the Company's progress and how ZoomInfo differentiates itself in this crowded market.

ZoomInfo's semantic search engine compiles available information from a number of sources to produce easy-to-read and easy-to-search profiles. The Company's Growth Acceleration Platform puts sales and marketing professionals in position to identify, connect and engage with qualified prospects and fuel growth.

The Company is based in Waltham, MA, and is backed by Ascent Venture Partners, Commonwealth Capital Ventures, Flagship Ventures, Venrock Associates, and Vulcan Capital.

What is the "elevator pitch" of the main problem(s) ZoomInfo is trying to solve?

The toughest sales and marketing challenge that B2B businesses face is determining how to grow faster and more profitably, without adding resources. That's where ZoomInfo helps.

Combining data insights with integrated tools, we make it easy for companies to identify and engage with qualified prospects again and again. Our predictive analytics allow professionals to replicate past successes by finding look-alike prospects. The proof, of course, is in the pudding. Businesses using our Growth Acceleration Platform accomplish significantly greater sales results with the same level of resources. In using the platform on our own business last year, we grew our revenues by 46%, without adding resources.

How do you define and size ZoomInfo's market?

Our total available market includes B2B companies of all sizes that need to make their sales and marketing operations more effective and efficient, by taking advantage of technology-enabled big data. We are fortunate that our market includes most B2B businesses in the U.S., from large enterprises to SMBs.

What "secret sauce" differentiates ZoomInfo from competitors, big and small?

Using proprietary technology, ZoomInfo's Growth Acceleration Platform provides the most accurate, actionable and comprehensive B2B intelligence solution on the market.

We use our deep expertise, patented technology, dedication to continuous improvement and

(continued on page 4)

ZOOMINFO'S SEMANTIC SEARCH ENGINE COMPILES AVAILABLE INFORMATION FROM A NUMBER OF SOURCES TO PRODUCE EASY-TO-READ AND EASY-TO-SEARCH PROFILES.



PRIVATE COMPANY SPOTLIGHT: ZOOMINFO (CONTINUED)

passion for delighting customers to stay one step ahead of the industry. This enables our customers to grow faster and be more competitive. We provide comprehensive company and contact information that is constantly refreshed and contains an exceptionally high quantity of direct phone numbers and email addresses. Further, we offer tools that help users replicate and expand on their success. For example, our proprietary recommendation engine suggests contacts that match our customers' best buyers. Our solution is easy to use and integrates seamlessly with Salesforce.com, Marketo and other sales and marketing automation platforms.

Our customers, of course, are our best judge. They tell us the accuracy of our data is second to none and that we've helped them decrease sales cycles and increase revenue.

We have long been impressed by the size and quality of ZoomInfo's customer base. Can you provide some representative case study examples of why clients chose ZoomInfo?

Over 100,000 sales and marketing professionals use ZoomInfo every month. Our customers include prominent brands, such as Amazon, E*TRADE, Microsoft, Time Warner, Walmart, and Yahoo, as well as the world's top staffing and executive search firms. Customers using the Growth Acceleration Platform have used ZoomInfo to meet or exceed goals for reaching prospects faster, improving sales pipelines, enhancing email campaigns, raising productivity, closing sales more quickly, increasing deal size, and boosting sales ROI. You can find customer success stories [here](#).

Can you share with us some insight into the growth path of the company in the past and looking forward?

ZoomInfo is proof of our Growth Acceleration Platform success. Last year, we used our own platform to accelerate our growth and evolve from a leading B2B data provider to a full-fledged sales and marketing solution. In 2015, we achieved record growth and were named to the Inc. 5000 list. We increased sales by 56% in Q4 of 2015, and our year-over-year (YOY) revenue grew by 46%. Looking ahead, we anticipate continued growth, given our unique value proposition and the enormous opportunity to tackle growth challenges in B2B.

Later this year, we are looking to roll out new and enhanced features to help sales and marketing professionals do an even better job of driving business growth

What excites you when you think about ZoomInfo's future?

I am excited about ZoomInfo's unique ability to deliver tremendous value to millions of professionals and have a major impact on business. Every day, we are finding new and better ways to help companies capitalize on the powerful possibilities of data-driven marketing and predictive analytics to achieve breakthrough growth, with existing resources. Considering industry trends and our robust team capabilities, we are working hard to establish ourselves as the pre-eminent player in B2B sales and marketing solutions.

“
THE TOUGHEST SALES AND MARKETING CHALLENGE THAT B2B BUSINESSES FACE IS DETERMINING HOW TO GROW FASTER AND MORE PROFITABLY, WITHOUT ADDING RESOURCES”

“
EVERY DAY, WE ARE FINDING NEW AND BETTER WAYS TO HELP COMPANIES CAPITALIZE ON THE POWERFUL POSSIBILITIES OF DATA-DRIVEN MARKETING AND PREDICTIVE ANALYTICS”

HEY, DID YOU SEE THIS?

CASHSTAR

January 25, 2016

CashStar, a provider of prepaid commerce solutions, announced the launch of new gift card programs by several acclaimed Los Angeles restaurants. These programs are designed to help guests engage and interact with participating restaurants without having to physically be in one of the locations. By partnering with notable restaurant brands, CashStar is allowing the elevated dining experiences to extend beyond the restaurant walls and across multiple customer channels. CashStar's digital cards can be customized with a personal message and can be delivered within minutes or at a future date. Gifting has now become even more flexible and simplified for consumers on the go.

[Read Article](#)



CENTRIC SOFTWARE

February 8, 2016

Centric Software, a provider of Product Lifecycle Management (PLM) solutions for retail, fashion and consumer good companies, announced that German-based TOM TAILOR GROUP, a leading fashion and lifecycle house in Europe, has adopted Centric's PLM solutions in order to support its international growth. Centric was selected to support TOM TAILOR's key competitive strategy of systematically analyzing and rapidly implementing fashion trends and responding to consumers' wishes. TOM TAILOR will start using Centric 8 PLM, which according to TOM TAILOR's Head of IT, is easy to use, flexible and allows fast results – it is more aligned with a modern, younger way of working than other traditional systems.

[Read Article](#)



CLICKDIMENSIONS

December 8, 2015

ClickDimensions, a Microsoft-certified email marketing and marketing automation solution for Microsoft Dynamics CRM, announced several new product features and enhancements, including a new campaign automation builder that enables marketers to design multi-channel, dynamic marketing paths for CRM leads or contacts. Additionally, ClickDimensions released a content pack for Microsoft Power BI that allows users to utilize ClickDimensions marketing data within the Microsoft business intelligence tool to provide further insight into the success of sales and marketing efforts. Furthermore, ClickDimensions also announced the ability to have multiple email CNAMEs for users that need to send emails from different domains.

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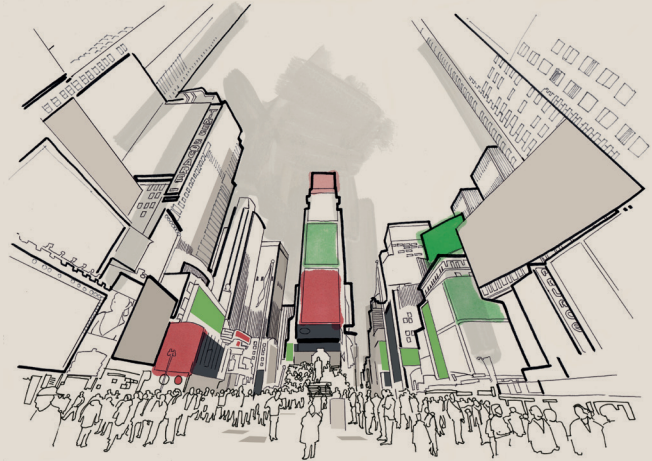
HEY, DID YOU SEE THIS? (CONTINUED)

DASHLANE

January 14, 2016

Dashlane, a password manager and digital wallet, has released Dashlane 4, its latest re-designed version focused on easy access and usability. Payment options have been expanded with more than 250 international banks, institutions, and cards now supported. Dashlane 4 adds five new languages via its DashIQ technology, which optimizes the user's app and payment options based on location. In addition, the Password Changer feature, which automates the regular changing of passwords for a number of websites, now supports automated password changing for more than 500 sites. This upgrade of Dashlane's password manager will help manage passwords across multiple online accounts and provide a more secure solution than using similar passwords across several sites.

[Read Article](#)



MEZZOBIT

January 28, 2015

Mezzobit, a cloud technology start-up, announced the industry's first "data report card", which monitors data collection, consumer tracking and security across the top one million websites. The Data Transparency Index is intended to provide consumers and businesses with reliable information on data security and privacy. The Index provides an objective barometer for five key areas of Internet data operations, plus an overall composite score. The key areas scored include: how securely data is handled; quantity and type of data collected; visitors tracked across the Internet; third party vendors loading additional code into visitors' browsers; and visual changes made by third parties to websites. Results will be calculated and publicly released each month.

[Read Article](#)

PAYSCALE

October 20, 2015

PayScale, a provider of cloud compensation data and software for businesses and individuals, announced a set of new features designed to simplify the process of managing talent across an organization. These features are intended to automate time-consuming manual tasks associated with determining benchmarks and individual salaries for every position at a company, and they include: easy job matching; fast onboarding; advanced modeling, testing and experimentation tools; and new compensation snapshots. PayScale's added features allow new customers to benefit from compensation insights almost immediately, while existing customers are better equipped to plan for the future.

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SELECTED JANUARY M&A TRANSACTIONS IN JEGI TECH COVERAGE

Deals with Values (by size)

BUYER	SELLER	TARGET DESCRIPTION	ENTERPRISE VALUE (\$MM)
Leidos Holdings	Lockheed Martin (certain assets)	Government IT services assets	\$5,000
Total System Services	TransFirst (Vista Equity Partners)	Transaction processing services	\$2,350
Fiserv	ACI Worldwide (certain assets)	Payments processing & banking software	\$200
ExamWorks Group	ABI Document Support Services	Records retrieval & e-discovery services	\$62
Grey Group (WPP)	ArcTouch	Mobile application development services	\$25

Deals without Announced Values (alphabetical by buyer)

BUYER	SELLER	TARGET DESCRIPTION
Accelerite	Citrix Systems (CloudPlatform SaaS asset)	Cloud deployment SaaS asset
Anexinet (Marlin Equity Partners)	ListenLogic	Data analytics & BI software
Apple	Emotient	Facial recognition & analytics SaaS
Apple	Flyby Media	Mobile virtual reality software
Apple	LearnSprout	Student analytics SaaS
Aptean (Vista Equity Partners)	AssetPoint (Triton Pacific Capital)	Manufacturing asset & maintenance SaaS
BioClinica (JLL Partners)	Clinverse	Clinical trials payments SaaS
Carlyle Group, The/Revolution Growth	LDiscovery (WestView Capital Partners)	E-discovery services & software
CLEARLINK Technologies (Pamlico Capital)	buyCalls	SEO & affiliate marketing services
Cognizant Technology Solutions	KBACE Technologies	Oracle cloud systems integration & hosting
eBay Enterprise	AffiliateTraction	Digital & online marketing
EchoSat (Thompson Street Capital)	Heartland Payment Systems (assets)	Payments security systems & services
Expo Logic	EPIC Registration	Event registration software & services
First American Payment Systems	Chase Paymentech (assets) (JPMorgan Chase)	ISO transaction processing services
FocusVision Worldwide (EQT Partners)	Kinesis Survey Technologies	Market research survey SaaS
General Motors	Sidecar Technologies (technology and assets)	Mobile ride-sharing & delivery service
H.I.G. / Prudential / Salary.com management	Salary.com (IBM)	Employee compensation analytics SaaS
IBM	Resource/Ammirati (JEGI Deal)	Digital marketing services
IBM	Ustream	Live & on-demand video streaming SaaS
Internet Brands (KKR)	Demandforce (Intuit)	Marketing automation SaaS
j2 Global	MX Toolbox (business assets)	Email security & diagnostics SaaS

SELECTED JANUARY M&A TRANSACTIONS IN JEGI TECH COVERAGE (CONTINUED)

Deals without Announced Values (alphabetical by buyer) (Continued)

BUYER	SELLER	TARGET DESCRIPTION
Kronos (Hellman & Friedman/ JMI)	Empower Software Solutions	HR & workforce management software
Mercer (Marsh & McLennan)	CPSG Partners	Workday SaaS systems integrator
Microsoft	Teacher Gaming (MinecraftEdu assets)	Minecraft-based educational games software
Oracle	AddThis	Web measurement services & advertising SaaS
Pantera Global Technology	ProQual Verified	Subcontractor risk mitigation SaaS
PeopleScout (TrueBlue)	Aon Hewitt (RPO business assets)	Outsourced recruitment & hiring services
Pitney Bowes	Enroute Systems Corporation	E-commerce SCM & logistics SaaS
Pivotal Software (EMC/ VMware)	Slice of Lime	UX & UI design services
Rentrak Corporation (comScore)	Hollywood Software	Cinema management & distribution software
Riverside Company	Kasasa	Financial software & services
Riverside Company	SafeTec Compliance Systems	Chemical tracking & safety compliance SaaS
Riverside Company	Vital Media	Automotive marketing & messaging
Scribble Technologies	Visually	Marketing content creation SaaS
Sparta Systems (Thoma Bravo)	123Compliance Corporation	Enterprise quality management SaaS
Sterling Infosystems (Goldman Sachs/ CDPQ)	TalentWise	Employee background screening SaaS
Survey Sampling International (HGGC)	Instantly (JEGI Deal)	Survey creation SaaS
Thoma Bravo	Infogix (H.I.G. Capital)	Data quality software
Vista Equity Partners	Fiverun	mPOS & retail management SaaS

ABOUT JEGI

JEGI has been the leading independent investment bank for the global software, tech-enabled services, media, marketing and information sectors for more than 28 years. Headquartered in New York, with offices in Boston and London (via its partnership with Clarity), JEGI has completed more than 600 high-profile M&A transactions, serving global corporations; middle-market and emerging companies; entrepreneurial owners and founders; and private equity and venture capital firms.

We provide clients with a global network of prospective buyers and senior decision-makers, as well as vast industry knowledge, perspective and intelligence. This affords our clients seamless access to deep market insights and a wealth of M&A experience, enabling us to deliver the highest closing rate in our industry and drive strong valuations.

For more information, visit www.jegi.com.

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600

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SELECT RECENT JEGI TECHNOLOGY TRANSACTIONS*

HAS BEEN SOLD TO

A PORTFOLIO COMPANY OF

Instantly is a leading provider of online and mobile audiences and insights technology tools.

A PORTFOLIO COMPANY OF

HAS SOLD ITS ADVANCED-ADVERTISING UNIT TO

Allant Group is a leader in data and analytic driven marketing and advertising services.

A PORTFOLIO COMPANY OF

HAS MERGED WITH

McMurry/TMG is the leader in omnichannel content creation and delivery. Manifest is a leader in digital experience design.

HAS BEEN SOLD TO

A PORTFOLIO COMPANY OF

Soonr is a leading provider of enterprise secure file sharing and collaboration services for IT business managers.

HAS RECEIVED A SIGNIFICANT INVESTMENT FROM

Jun Group is a leading mobile video and branded content advertising platform.

HAS BEEN SOLD TO

Selligent is an international SaaS platform delivering omnichannel audience engagement.

HAS BEEN SOLD TO

NavigationArts is a digital strategy and experience design firm.

HAS BEEN SOLD TO

POWERING GLOBAL TRADE

ecVision is a cloud-based provider of global sourcing and collaborative supply chain software solutions.

HAS BEEN SOLD TO

Iron Solutions is a leading software and data provider to the agriculture market.

HAS BEEN SOLD TO

A SUBSIDIARY OF

onPeak is a leading event housing software and services provider.

HAS BEEN SOLD TO

RKG is a leading tech-enabled search and digital marketing agency.

HAS BEEN SOLD TO

A PORTFOLIO COMPANY OF

ViryaNet is a leading provider of mobile workforce management solutions for field service.

HAS BEEN SOLD TO

Distimo is a leading mobile app market intelligence and analytics provider.

HAS BEEN SOLD TO

FOR \$52,000,000

Knowledge Advisors is a pioneer and leading SaaS provider of talent analytics to HR and C-level professionals.

HAS RECEIVED A SIGNIFICANT INVESTMENT FROM

MyWebGrocer is a leading provider of shopping and shopper marketing software and services.

A PORTFOLIO COMPANY OF

HAS SOLD

TO

Infogroup is the leading provider of sales enablement and business intelligence SaaS solutions.

HAS BEEN SOLD TO

ePrize is a leader in digital engagement, specializing in promotions and loyalty campaigns.

HAS BEEN SOLD TO

Mspot is a pioneer and leader in mobile entertainment services.

*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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