



TECHNOLOGY · MEDIA · TELECOM

FOURTH QUARTER

2015

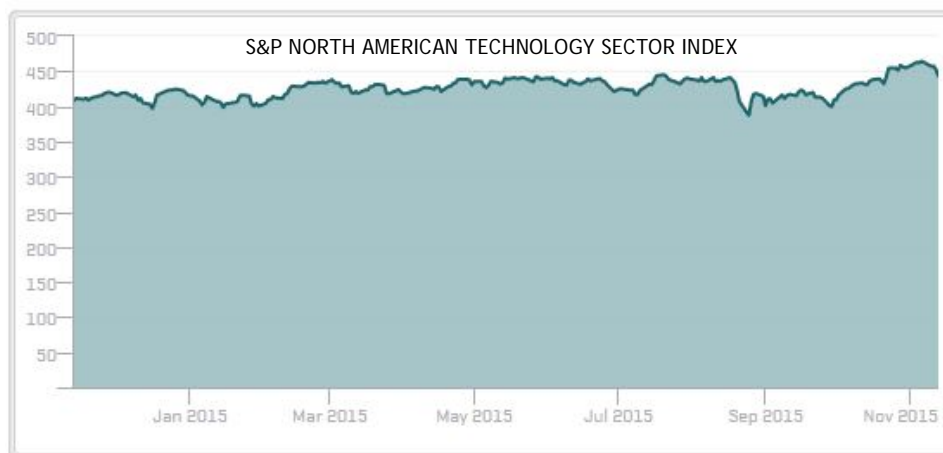
This Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.

Information Technology, Media and Telecom M&A

M&A activity for North American based target companies in the Technology sector for Q3 2015 included 467 closed deals, according to data published by industry data tracker FactSet. The average transaction value was \$200 million.

One of the largest transactions of the quarter took place in September when Solera Holdings Inc. was acquired by an affiliate of Vista Equity Partners in a deal valued at around \$6.5 billion, including net debt. Solera is a provider of software to the automobile-claims-processing industry and is home to brands such as Audatex, Carweb and AUTOonline. It serves customers that include car-

insurance companies, collision-repair facilities and independent assessors. After ending Q3 on a downward slope, the technology sector on the public markets has had a steady climb to start Q4.



Transactional Overview

September 2015 - Snapchat Inc. acquired Lookery Inc. for an undisclosed amount. The acquisition is rumored to be valued at US\$150 million. Snapchat, Inc. develops a text and photo based messaging application for mobile phones. The mobile app also allows users to share photos with friends and control how long they can view their message. Lookery, Inc. develops facial mapping application. It specializes in facial tracking and modification technologies for real-time video communication.

September 2015 - FactSet Research Systems Inc. acquired Portware LLC, a portfolio company of Long Ridge Equity Partners LLC, for US\$265 million in cash. FactSet Research Systems Inc. provides integrated financial information and analytical applications to the global investment community. It combines content regarding companies and securities from major markets all over the globe into a single online platform of information



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and analytics. Portware LLC develops and provides multi-asset execution management software tools for global equities, futures, options, and foreign exchange (FX).

September 2015 - LM Ericsson Telefon AB acquired Envivio Inc. for US\$116.3 million in cash, through a tender offer. LM Ericsson Telefon AB provides telecommunications equipment and related services to mobile and fixed network operators globally. Envivio, Inc. engages in the provision of IP video processing and distribution solutions.

Selected Q3 Closed Transactions	
Target/Issuer	Buyers/Investors
NexPlanar Corp.	Cabot Microelectronics Corp.
Smart LLC	Blackbaud, Inc.
Baker Hill Corp.	Riverside Partners LLC (New York)
Portware LLC	FactSet Research Systems Inc.
Envivio, Inc.	LM Ericsson Telefon AB
iCore Networks, Inc.	Vonage Holdings Corp.
Internet Pipeline, Inc.	Thoma Bravo LLC
Cloud Sherpas, Inc.	Accenture Plc

M&A Trends

Technology valuations continue to soar as startups gain users and march on the path toward IPO. Transportation application Uber is leading the charge in this category with a whopping \$51 billion valuation. Others driving astronomical values include: Airbnb (\$25.5 billion), Snapchat (\$16 billion), Pinterest (\$11 billion) and Dropbox (\$10 billion).

Industry Update

Major growth is forecast for the use of 3D printing in a variety of business applications, raising a host of data protection issues for IT professionals, according to a recent report in InformationWeek. IT workers will likely be called upon to address issues related to theft of intellectual property and to prevent counterfeit products from entering the market. For example, manufacturing companies may need to protect pictures and drawings of product designs to prevent unauthorized 3D printing of goods. Related IT tasks may include securing files and their transit over corporate networks, as well as limiting or blocking file sharing and the end user's 3D printing of the files.

The recent launch of a wearable computing device by Apple could jumpstart the smartwatch category, creating new opportunities for software developers. The company launched a line of Apple Watches in nine countries in April 2015. Combining the functionality of a timepiece with communication capabilities and health-related applications, the devices will compete against offerings from LG, Pebble, Samsung, and Sony, among others. The burgeoning list of applications for the Apple Watch already includes business, home automation, music, news, sports, and travel apps, and the device's long-awaited debut is expected to spur development efforts across the market. Good Technology, Microsoft, and Salesforce.com are among the companies developing collaboration, productivity, and sales apps for the Apple Watch, according to Network World. Game makers are also targeting the Apple Watch and other wearables, despite the challenge presented by the devices' small screen size.

- Total US revenue for computer systems design and related services rose 6.2 percent in the second quarter of 2015 compared to the previous year.
- Total US revenue for software publishers rose 2.8 percent in the second quarter of 2015 compared to the previous year.

Collectively, the Technology, Media and Telecom Practice Group provides M&A advice to public and private companies in all sectors of technology, media and telecommunication industries including IT services, equipment, semi-conductors, software, broadcasting, publishing, broadband networks and wireless communication. For information on mergers, acquisitions, divestitures, recapitalizations, joint ventures or financial resources, contact your local Corporate Finance Associates office.

