

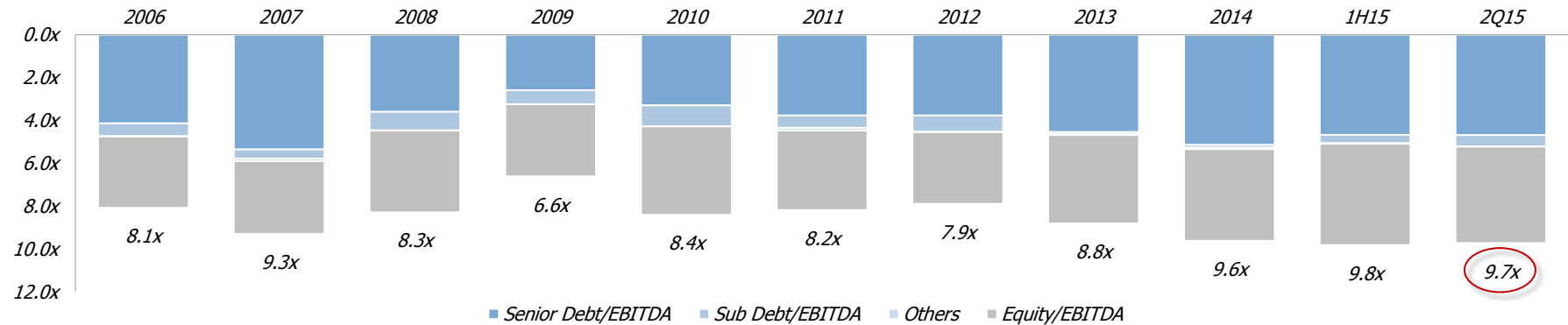


State of Technology Capital Markets

October 1, 2015

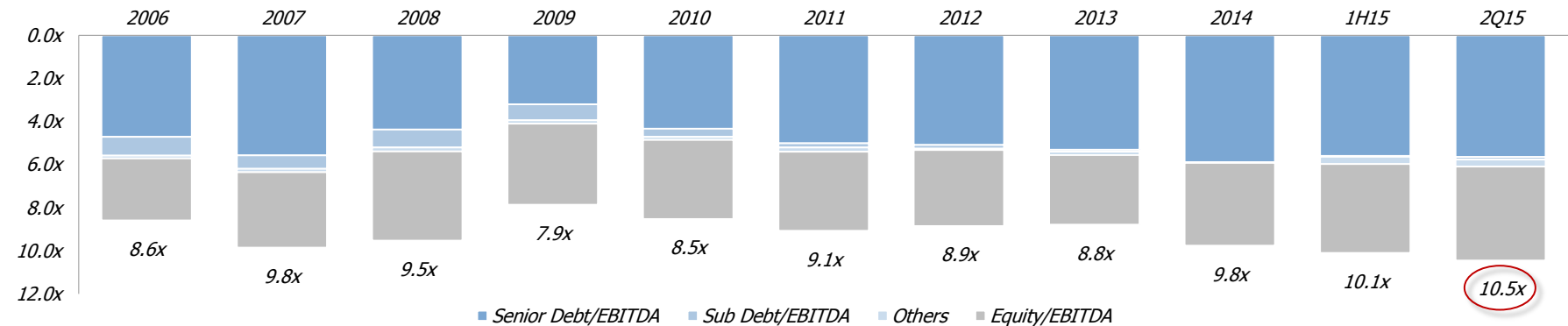
LBO Purchase Price Multiples & Equity Contribution

Large Corporate Purchase Price Multiples



Source: Capital IQ

Middle Market⁽¹⁾ Purchase Price Multiples

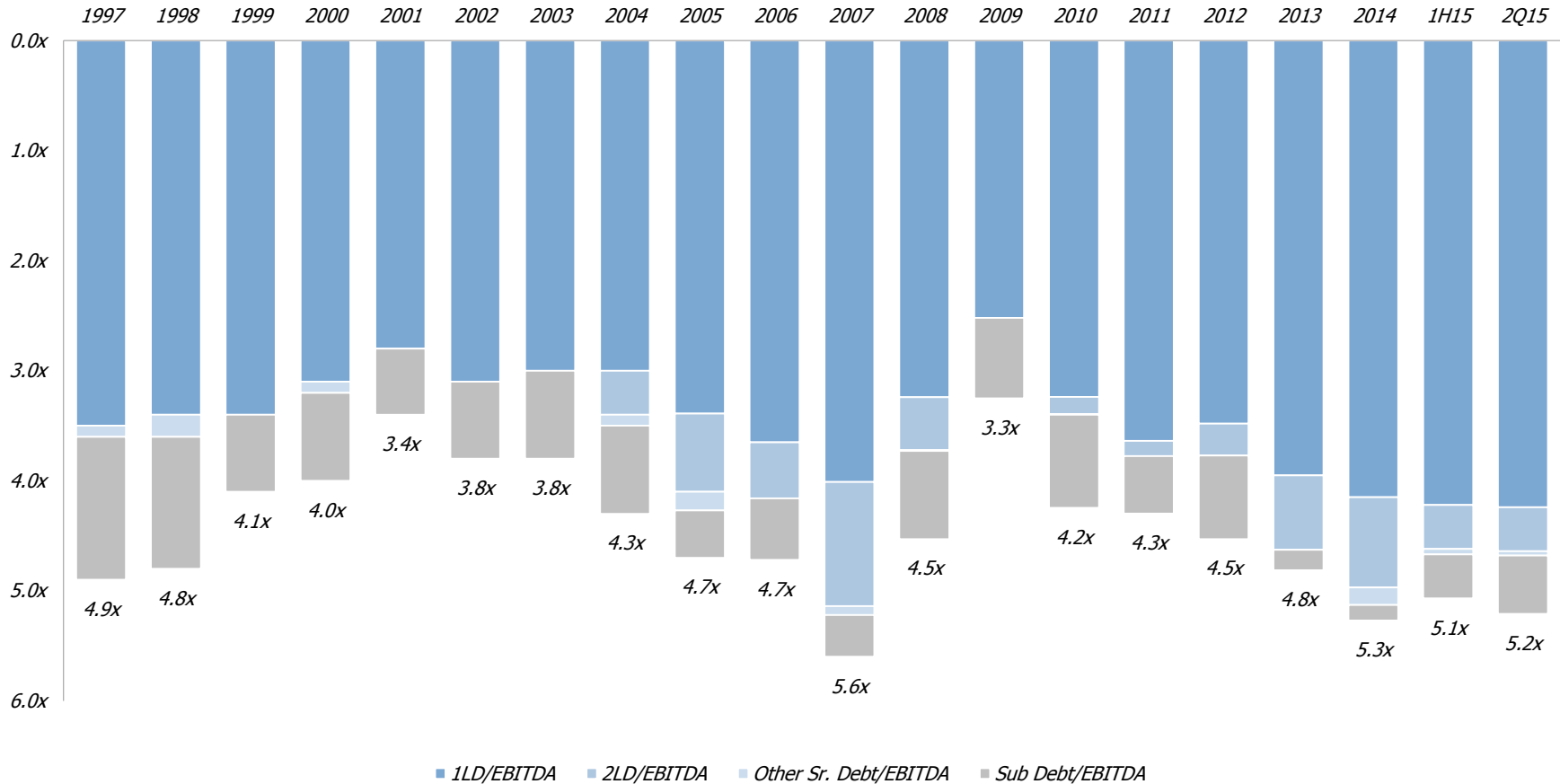


Source: Capital IQ

Note: (1) Middle Market defined as businesses with less than \$50M of EBITDA

Average Debt Multiples of Middle Market LBO Loans⁽¹⁾⁽²⁾

Middle Market LBO Debt Multiples

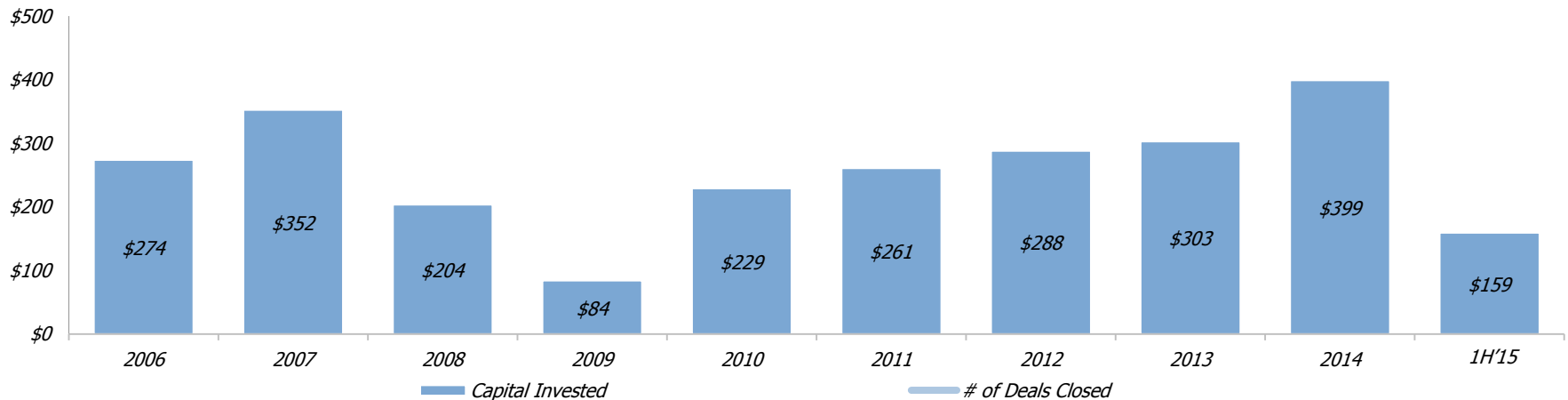


Source: Capital IQ

Note: (1) Middle Market LBO loans are on purchase price with less than \$50M EBITDA
 (2) Excludes media and telecommunication loans; EBITDA adjusted for prospective cost savings or synergies

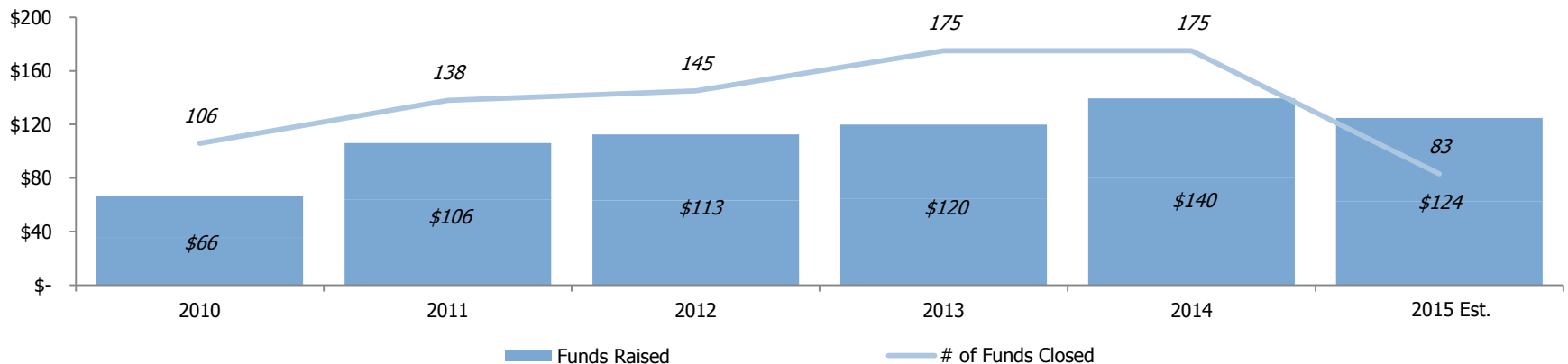
Middle Market Private Equity Landscape

U.S. Deal Flow by Year (\$ in billions)



Source: Pitchbook

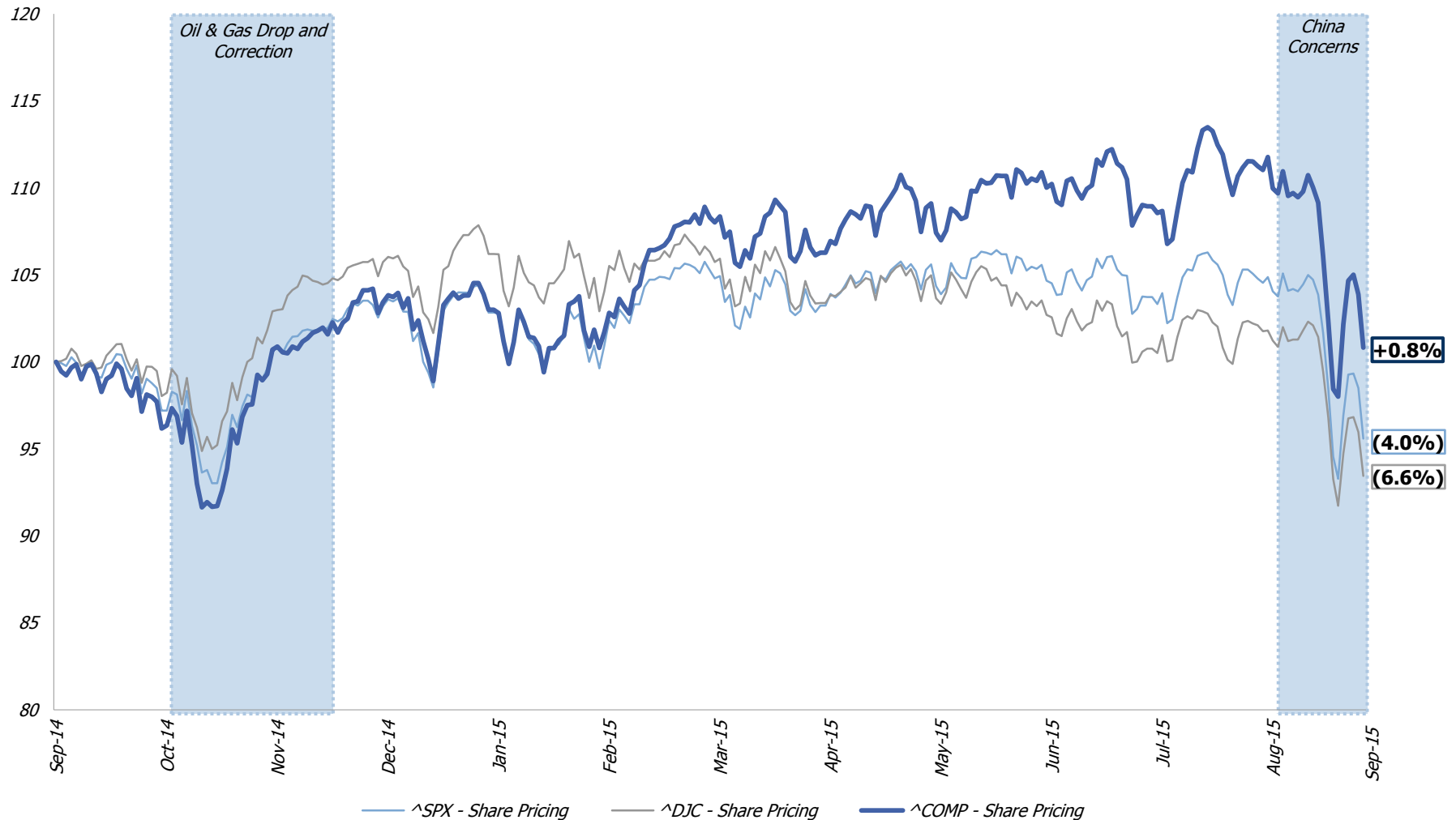
U.S. Private Equity Fundraising (\$ in billions)



Source: Pitchbook

Technology-Related Equity Outperforms Market

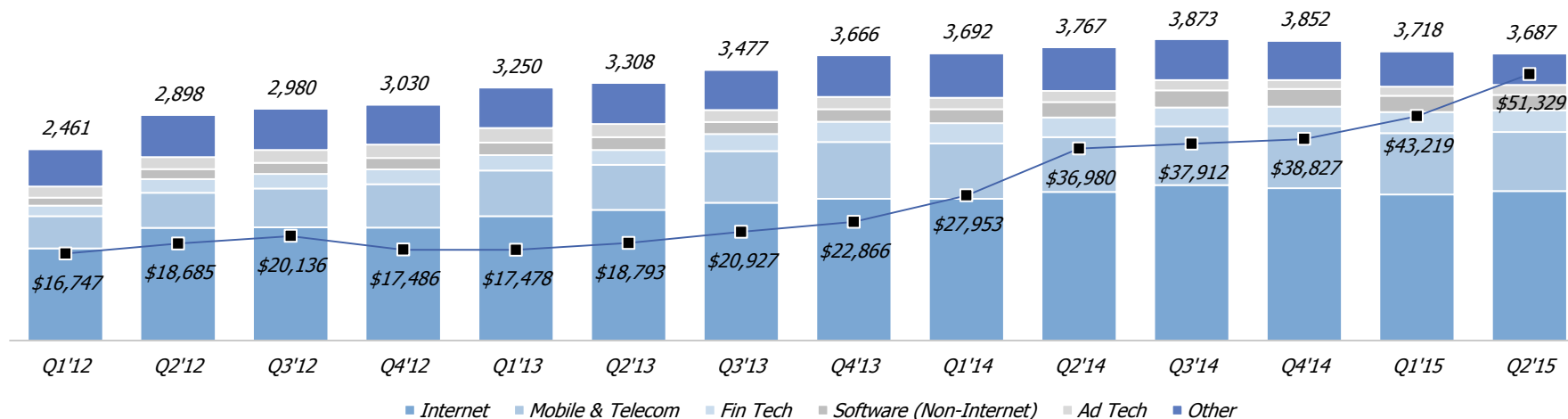
DJIA, NASDAQ Composite and S&P 500 Comparison



Source: Capital IQ

Overview of Venture Activity

Global Technology Venture Activity by Quarter (\$ in millions)



Source: CB Insights

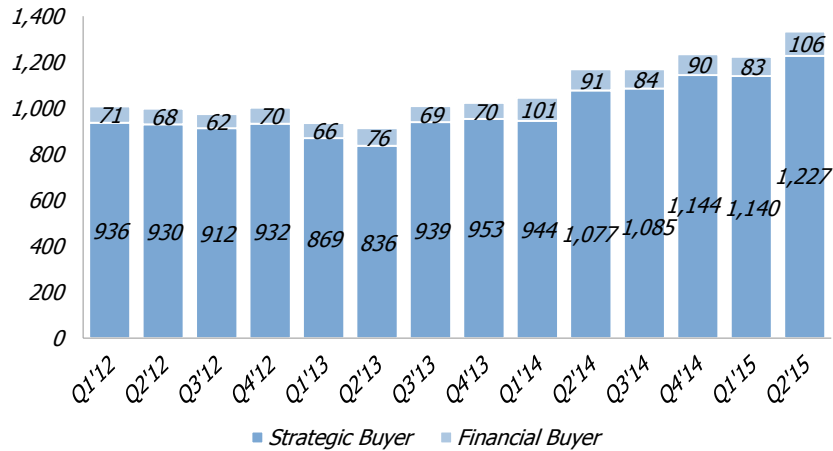
Commentary

- Despite a slight decline in global YTD 2015 volumes, funding activity within the Technology sector has steadily increased since the recession
- 2014 represented the largest year for VC activity within the Technology sector since 2000
 - The total value of the VC funding in 2015 is on pace to break 2014's record year of \$142 billion

Source: CB Insights

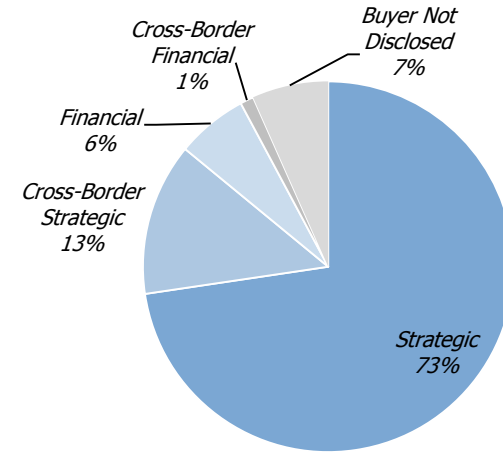
Global Software and Technology Services M&A Activity

Deal Volume by Buyer Type



Source: Capital IQ

June YTD Deal Volume by Buyer Type



Source: Capital IQ

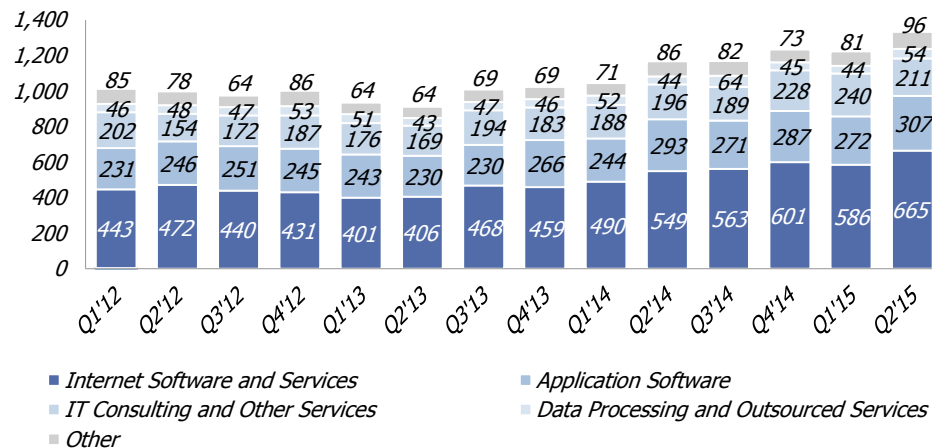
Commentary

- Strategic buyers have consistently accounted for 90%+ of Software and Technology Services transactions since 2012
 - Strategic buyers have also accounted for approximately 75% of the deal value, on average, since 2012
 - Deal value for transactions led by strategic buyers rose to \$34.2B in Q2 2015 from \$28.0B in Q2 2014
- Financial buyers led an all-time high 106 M&A transactions in Q2 2015 compared to 91 in Q2 2014 and 76 in Q2 2013

Source: Capital IQ

Global Software and Technology Services M&A Activity (continued)

Deal Volume by Sub-Sector



Source: Capital IQ

Commentary

- Internet Software and Services has represented the largest category of Software and Technology Services M&A activity, accounting for approximately 50% of total transactions since 2012
 - Transaction volume has grown to 665 in Q2 2015 compared to 549 in Q2 2014 and 406 in Q2 2013
- Internet Software and Services and Application Software have consistently remained the top two sectors in terms of deal value
 - Deal value totaled \$39.0B for Internet Software and Services and \$10.1B for Application Software in Q2 2015

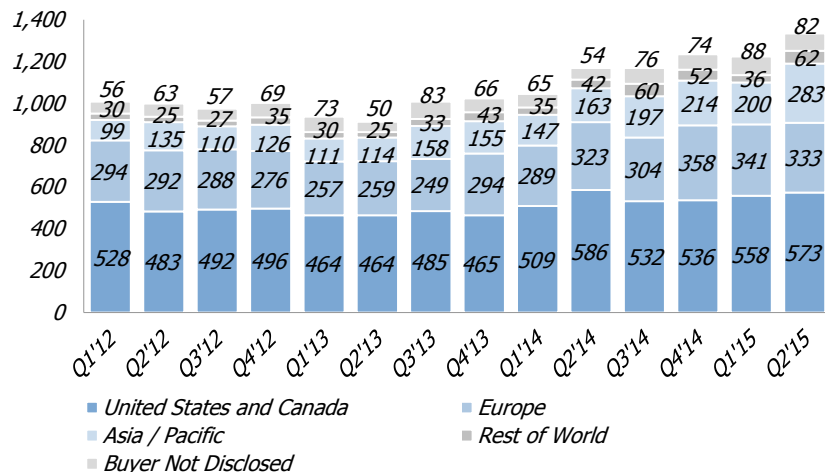
Source: Capital IQ

Notable Announced 1H 2015 Transactions

	Internet Software and Services		Application Software	
Acquirer	DELIVERY HERO	Vista Equity Partners	Microsoft	FRANCISCO PARTNERS
Target		PowerSchool	equivio <small>room in front seat</small>	ClickSoftware <small>Making Service Click</small>
Transaction Value	\$589 Million	\$350 Million	\$200 Million	\$438 Million

Global Software and Technology Services M&A Activity (continued)

Buyer Deal Volume by Region



Source: Capital IQ

Increasing Demand from Asian Strategics

	Q-o-Q Compounded Growth by Region ('12-YTD '15)
US & Canada	0.6%
Europe	0.9%
Asia / Pacific	7.8%
RoW	5.3%

Source: Capital IQ

	Notable Recent Transactions Involving Asian Strategics	
Acquirer	Rakuten	RECRUIT
Target	OverDrive	Quandoo
Transaction Value	\$410 Million	\$219 Million

Commentary

- US and Canada based buyers lead M&A activity in the Software and Technology Services industry, accounting for approximately 48% of total global deals since 2012
- Transactions based in the US and Canada have accounted for approximately 46% of total deal value since 2012, representing \$27.8B in Q2 2015 compared to \$20.0B in Q2 2014

Source: Capital IQ