

TM capital's Software Monthly



An M&A International Inc. firm 

Software Commentary

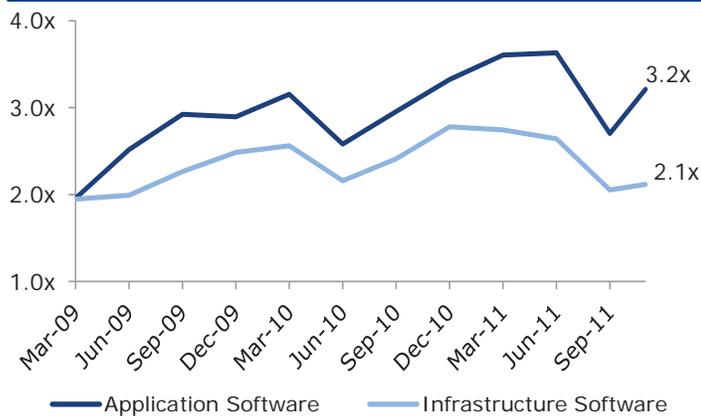
November 2011

M&A deal volume in the Enterprise Software sector was relatively quiet during November; however, there was a positive undercurrent of financing activity by some of the leading technology investors in the space. Financial sponsors exhibited strong interest in providing significant amounts of capital to high-growth software technologies. One such notable financing transaction was Battery Ventures' \$50 million investment in Marketo, one of the fastest growing providers of Revenue Performance Management (RPM) software. Other active financial investors in November included Welsh, Carson, Anderson & Stowe (DriveCam, Inc.); Technology Crossover Ventures (Rapid7, LLC); Kleiner, Perkins, Caufield & Byers (Fixmo Inc.); and Summit Partners (LogiXML, Inc.).

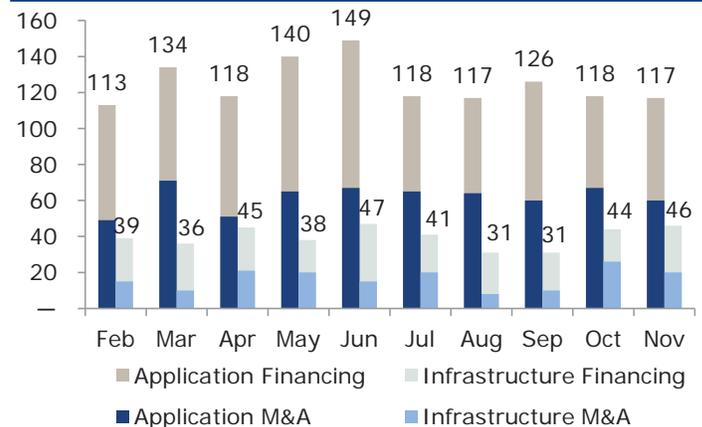
In the last month we observed strong M&A activity in the Mobile and Marketing Automation sector, as a number of strategic acquirers focused on expanding their digital media capabilities to provide end-to-end marketing communication and production solutions. For example, Adobe Systems acquired privately held Auditudo Inc., a leader in video ad management and monetization technologies for premium publishers and media companies, in a transaction valued at around \$100 million. Adobe will expand its video offering to include an advertising platform that will uniquely position the company as one of the only players with a video offering that seamlessly integrates authoring, publishing, monetization and optimization processes. Adobe will combine Auditudo with its digital marketing suite, while the advertising server platform will be integrated with Adobe's Flash Media Server 4.5 software and television platform Adobe Pass.

Strategic acquirers continue to be interested in market-leading, vertically-oriented enterprise solutions in specific niche sectors including Hospitality, Manufacturing, Oil & Gas, and Services, among others. For example, Siemens announced an agreement to obtain Waltham-based Vistagy, Inc., a leading provider of engineering software for advanced composite materials. The acquisition fills a gap in Siemens' NX suite, and will position Siemens as a leader in engineering software for the Automotive and Aeronautical verticals.

Software Valuation Environment (TEV/LTM Revenue)



Enterprise Software Transaction Volume



Application Software Transaction Activity

LiveOps, Inc. has agreed to acquire **Datasquirt Ltd.**, which develops online multi-channel, non-voice communication and business optimization solutions

Monotype Imaging Holdings agreed to acquire **Bitstream Inc.**, which provides mobile browsing and automated marketing and print production software solutions, for \$50 million in cash

Velti Plc acquired **Mobile Interactive Group Ltd.**, which provides multimedia mobile interactive solutions including billing, application, video, and marketing and advertising, in a deal valued at \$59 million

Lenco Mobile Inc. agreed to acquire **iLoop Mobile, Inc.**, which provides mobile services and technology for interactive mobile marketing, advertising and content distribution, in a deal valued at \$42 million

The Active Network, Inc. acquired **RTP, LLC**, which provides a suite of software solutions that integrate the point of sale, inventory management, CRM, and business management functions for the hospitality industries, in a deal value at \$22 million

CriticalControl Solutions Corp. acquired **Vertex System Resources Ltd.**, which provides business process solutions, including data analysis and document management tools, for the Oil & Gas industry

Check Point Software agreed to acquire **Dynasec Ltd.**, a provider of enterprise governance, risk management, and compliance solutions

eBay Inc. acquired **Hunch Inc.**, which operates a decision-making site that customizes decision results for the user

Synopsys Inc. agreed to acquire **Magma Design Automation Inc.**, which provides electronic design automation software products and related services, in a deal valued at \$500 million

Infrastructure Software Transaction Activity

Wyse Technology, Inc. acquired **Trellia Networks, Inc.**, which provides enterprise mobility management solutions for laptops, tablets, and smartphone devices

Aruba Networks, Inc. acquired **Avenda Systems, Inc.**, which provides network access solutions for user and endpoint authentication and posture assessment, in a deal valued at \$33 million

TM Capital has ongoing relationships with the companies mentioned above. If your company fits the acquisition criteria, or to learn more about additional sell-side and buy-side opportunities, contact Murray Beach at 617.259.2201 or mbeach@tmcapital.com.

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