

TECHNOLOGY · MEDIA · TELECOM

SECOND QUARTER

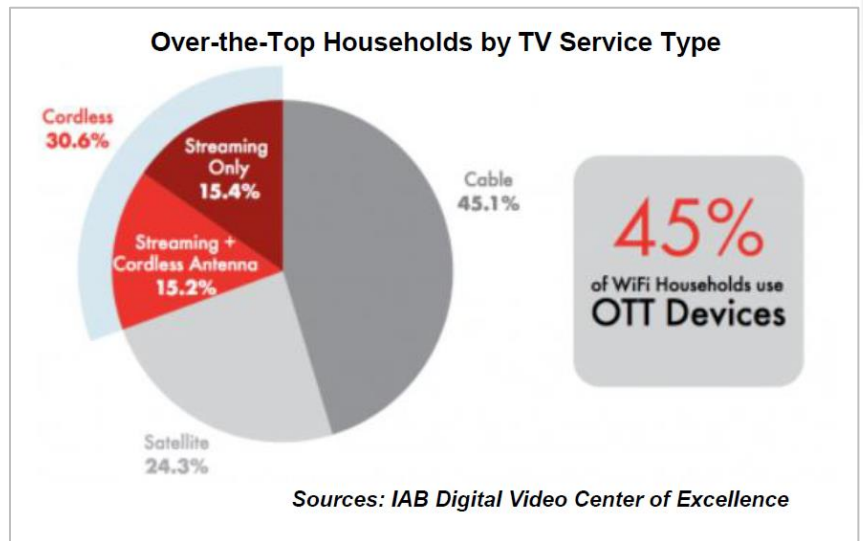
2019

The Technology, Media & Telecom Industry Practice Group draws on the experience of CFA dealmakers, who as former business owners, CEOs, and industry professionals, have first-hand knowledge and have completed many transactions in sectors throughout the Technology, Media and Telecom category. 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, Media and Telecom sector for Q1 2019 included 328 closed deals, according to data published by industry data tracker *FactSet*.

One of the notable middle market transactions was announced in March when Investnet, Inc. acquired PIEtech, Inc. for US\$521.2 million in cash and stock. Investnet engages in the provision of intelligent systems for wealth management and financial wellness. PIEtech develops financial planning software for financial advisors. It offers MoneyGuidePro, an Internet based financial planning software that helps advisors to create, implement and maintain investment strategies to meet financial goals. The company was founded in 1997 and is headquartered in Powhatan, VA.



Cable is still the dominant TV service in US households, but streaming is rapidly growing.

Transactional Overview

Notable closed lower middle market transactions for the period in the Technology, Media and Telecom sector include:

March 2019 - Spotify USA, Inc., a subsidiary of Spotify Technology SA acquired Cutler Media LLC, trading as Parcast, for approximately US\$56.6 million in cash. Spotify USA engages in the provision of a music platform for all devices such as mobile, speaker and tablets. Cutler Media operates as a storytelling-driven podcast studio. It creates, develops and produces its shows in-house by a team of writers, researchers and hosts. The company was founded in 2016 and is headquartered in Woodland Hills, CA.



MERGERS, ACQUISITIONS, AND CAPITAL RESOURCES SINCE 1956

FOR MORE INFORMATION CONTACT

Corporate Finance Associates
24461 Ridge Route, Suite A200
Laguna Hills, CA 92653

For over 60 years CFA has been advocating on behalf of business owners. Whether you're selling, buying or recapitalizing your company, our business is your business.

info@cfaw.com
www.cfaw.com

March 2019 - Curtiss-Wright Corp acquired Tactical Communications Group, LLC for US\$50 million in cash. Curtiss-Wright is a manufacturing and service company that engages in the design, manufacture and overhaul of precision components. Tactical Communications Group provides tactical data link software solutions. The firm's services allow military operating and training units, government testing organizations and prime defense contractors to achieve connectivity and capability at the tactical edge. The company was founded in 2001 and is headquartered in Tewksbury, MA.

Selected Q2 Closed Transactions	
Target/Issuer	Buyers/Investors
Pullstring, Inc.	Apple, Inc.
HALO Branded Solutions, Inc.	Zagg, Inc.
Determine, Inc.	Corcentric LLC
iContact Corp.	j2 Global, Inc.
Cutler Media LLC	Spotify USA, Inc.
Satori Software, Inc.	Thompson Street Capital Managers LLC; Business Computer Center Inc.
Kforce Government Solutions, Inc.	ManTech International Corp.
YourCause LLC	Blackbaud, Inc.

March 2019 - Okta, Inc. acquired Azuqua, Inc. for US\$52.5 million in cash. Okta provides enterprise-grade identity management services. Azuqua develops cloud based platform services. Its products include azuqua platform, azuqua devices and connectors. The company was founded by in 2010 and is headquartered in Seattle, WA.

Industry Update

As more companies opt for collaboration and unified communications (UC) software, revenue in the sector has reached an all-time high, according to Synergy Research Group. The market intelligence firm predicts the market will expand 9% in 2019, topping \$45 billion. Teamwork applications, including products such as Slack and Microsoft Teams, are expected to see the highest growth rate in 2019, increasing almost 60%. The Video as a Service (VaaS) and Communication Platform as a Service (CPaaS) segments could each see growth of 30%. Growth in the market is being driven by hosted and cloud-based products, sales of which will grow 19% in 2019; revenue from on-premise products is expected to decline by 3%.

Industry Indicator

- US corporate profits, which indicate corporate demand for computer software, rose 7.4% in the fourth quarter of 2018 compared to the same period in 2017.
- US retail sales for electronics and appliance stores, a potential measure of demand for computer software, decreased 3.1% in the first three months of 2019 compared to the same period in 2018.
- Total US revenue for computer systems design and related services rose 10.9% in the fourth quarter of 2018 compared to the previous year
- Total US revenue for software publishers rose 17.3% in the fourth quarter of 2018 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.

