



Looming Large: Private Equity Powers Across the Tech M&A Landscape

Private Equity Technology Market Review
February 2020

The Evolution and Growing Influence of the Tech PE Industry

Gold, automotive, oil, real estate, and finance have all taken their turns at wealth creation and influence, but no industry has made as profound an impact on the course of mankind as technology. Over the past 30 years, tech has influenced the public and private markets far more than any industry. The unprecedented success achieved by the likes of Facebook, Google, Apple, Uber, and Airbnb demonstrates the lightning speed at which on-demand, easy-access services can envelop the connected world with wild-fire ferocity. Paralleling this new consumer world, the business world has been transformed by cloud computing and the software / SaaS model. With 90% gross margins and fast growth rates, it is a recipe for creating strong and sustained profitability and shareholder value in the shortest period of time, as Microsoft, Salesforce, Workday, Adobe, and many others have demonstrated.

These two value creating models, the on-demand connected consumer and business software-SaaS, have together seeded 7 of the 10 largest market capitalized companies in the world with an aggregate value of over \$5 trillion.

I started doing tech deals in 1987 with the \$430 million hostile takeover of Computer Vision by Prime Computer. Back then, there was a small group of tech-focused PE investors mostly doing minority growth investing, which included Advent, GA, Summit, TA, and Warburg. They only managed a few hundred million in AUMs each. In the 80s and 90s, the PE model was pretty simple: buy low, let it grow, and sell high. The teams were small with no consulting, and they did not do add-on acquisitions. Today's entrepreneurs, with a little help from PE competition, deal pricing transparency, and great investment banks like AGC, are not selling cheap. Today, there are hundreds of tech-focused PEs approaching a trillion dollars of PE capital invested in or earmarked for tech. The top tech PEs are paying up for the best platform companies and using every lever to drive top line growth and increased profitability. They have dramatically advanced the art of creating value by building businesses through a methodical and multi-faceted organic and inorganic game plan.

Tech PE Industry (Cont'd)

What building blocks are the best and brightest using to create value in their portfolios?



Add-on Acquisitions

The largest and most successful PEs are deploying capital and intellectual firepower across portfolio companies at accelerating rates, driving inorganic growth through aggressive M&A roll-up strategies.



Operational Playbook

PEs are evaluating and rebuilding every aspect of a company: enhancing/replacing management, revamping go-to-market efforts, turbo hiring, digital marketing, optimizing prices, moving up and down market and re-branding are all on the table.



Overlay New Products

PEs have become better at selling new products to an existing customer base. For example, a SaaS company selling accounting software to building owners can double revenues by overlaying a payments and insurance offering.



Know What You Are Buying

Make sure the team has done their job in knowing the company and all of its pitfalls. Starting off with unexpected baggage at high valuation levels is real trouble.



Drive Cost Improvements

PE consulting teams with vast company and operating experience are examining every meaningful cost to find a better or cheaper way. Rent, hosting, virtual employees, and office sharing are all considerations.



Utilizing Financial Leverage

PE firms have very tight relationships with banking and debt funds that are providing higher debt levels at much lower cost of capital than entrepreneurs would ever consider possible or have access to. For the first time lenders are allowing pro-forma synergy adjustments in calculating the EBITDA and debt capacity.

Tech PE Industry (Cont'd)

Case Studies: Organic Growth, Buy & Build, and Take-Privates



1.) In June of 2016, Sumeru Equity Partners stepped up on valuation and seller friendly terms and acquired Buildium in an AGC auction for \$130 million, or roughly 9x the pure SaaS revenues. They then went to work moving the company up-market, improving customer retention, revamping the sales force, overlaying new products, optimizing pricing, and enhancing the existing management team. 2.5 years and \$450 million in enterprise value creation later, AGC advised in Buildium's \$580 million sale. That is a pure-play organic growth success story.



2.) Thoma Bravo acquired Deltek in 2012 for \$1.1 billion. Armed with a leading platform, they went to work with both their organic and acquisition game plan. By 2016, they bought six companies: Acumen, Centurion Research, Sohna, Axiom Corporation, HR Smart, and Union Square Software. When Deltek was sold in less than 4 years to Roper, Thoma made an estimated \$1.7 billion in profit.



3.) AGC worked with Bill Stone, the CEO of SS&C, to go private in a \$982 million sale to Carlyle. We drove the valuation to a 91% premium in part by demonstrating a deep pipeline of acquisition targets. Today, SS&C has gone public again and currently trades at a \$16.2 billion EV. Under Bill Stone's leadership, SS&C is one of the premier examples of technology acquisition-based growth in history.



4.) Vista took Marketo private in August of 2016 for \$1.8 billion, a 64% premium at the time, and then sold the company to Adobe for \$4.8 billion in October of 2018. Vista overhauled Marketo's management team, re-focused on larger enterprise customers, completed two add-on acquisitions, and deployed their consulting team and relevant operational best practices en route to a 72% IRR and \$3 billion in realized profit, the largest in the firm's history.

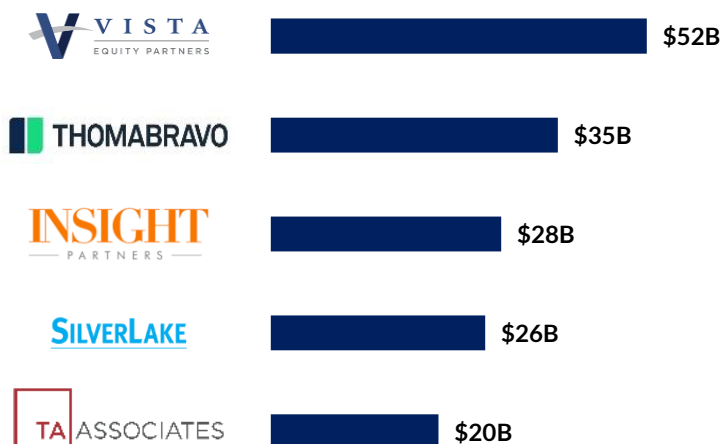
Are technology valuations a bit over their skis? When you consider that the top 40 public SaaS companies are trading at 11x revenues, near an all-time record, I would say yes, valuations across public and private markets are larger than their near-term financial prospects and market opportunities can support. In some cases, companies are getting bigger values than their respective TAMs. We crunched the numbers on all disclosed tech deals since 2010, and 2019 saw a median EV/Revenue multiple of 3.8x, near the record high of 3.9x in 2018. In 2019, Strategics paid a median of 3.7x versus a 3.9x median multiple paid by PEs. For the first five years of the last decade strategics out-paid PEs, with PEs taking the lead since late 2015. This may be attributed to PE deals tending to be auction-based or because PEs are choosing better companies. A counter-argument on valuations can be made that with 10 year Treasuries under 2% and GDP growth at a solid 2%, tech companies with oversized growth prospects deserve enormous premiums. Moreover, many of us in the tech sector have been guilty of saying valuations are too high over the last five years, and we have been proven wrong repeatedly.

Tech PE Industry (Cont'd)

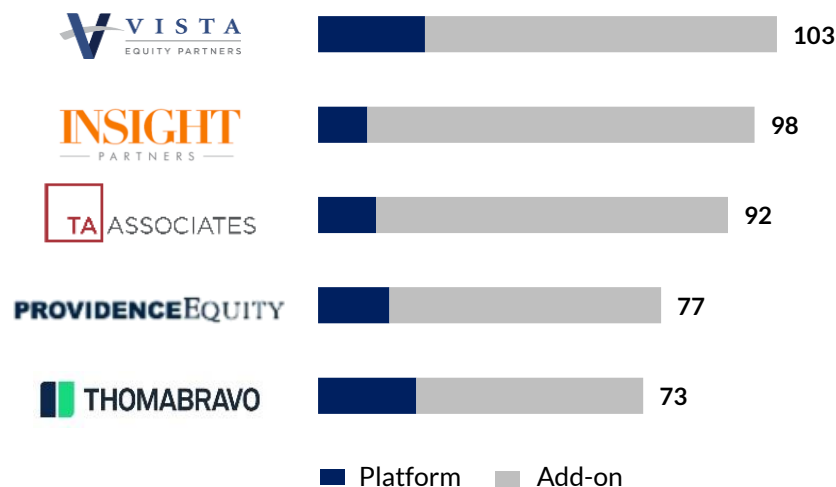
With all the money being made in tech over the last 10 years, you can bet that LPs have been pushing their favorite PEs to build out their respective tech groups, and in some cases, build a team from scratch. This LP driven motivation has contributed to the recent rise of tech-focused mega funds, the creation of new maiden tech funds, and the increasing allocation to tech within generalist PE funds. The gorilla is unequivocally Vista, with roughly \$52 billion in pure tech-focused AUM. The top 80 PE funds have nearly \$800 billion under management.

In some cases, smaller is better, at least as it relates to fund size. The larger funds will struggle to match the returns of their smaller and more nimble counterparts because there are far fewer large scale opportunities and an overcrowding of new larger funds. More of their targets are either public and overvalued or PE-owned with much of the juice squeezed out. Lastly, in larger funds, partners can get spread over too many deals, limiting their effectiveness on any given portfolio company.

Top 5 Tech Focused Managers by AUM



Top 5 Most Active Tech Acquirers (PEs)



Tech PE Industry (Cont'd)

In 2019, PE funds and their portfolio companies bought more than 1,137 tech companies, accounting for 31% of all tech M&A transactions. That's nearly a four-fold increase from the 304 PE-led deals at 9% of the tech M&A market in 2010. There are now approximately 200 tech-focused PE firms pursuing growth equity and buyout strategies. These firms closed 175+ new funds over the last two years, representing \$200 billion in fresh capital to deploy. Private Equity has become the power player in the global tech world, competing toe-to-toe with the strategic community and rocking the landscape across hundreds of technology markets and thousands of companies.

The post-recession generation of tech PE funds deserves the mantra of “buy and build,” and our analysis bears that out.

The five most active tech PE firms – Vista, Insight, TA, Providence and Thoma Bravo – are relentless in their programmatic efforts to build organically and through acquisitions. They seek out and compete hard for platform companies that have the size, market leadership, and management on which they can build. Over the two-year period tracked, these five firms alone combined for 369 add-ons and 83 platform acquisitions, a roughly 4 to 1 split and multiplier effect. For example, it is quite typical for these PE platforms to buy a growing but unprofitable \$50 million revenue SaaS company and in short order morph it into a \$20 million EBITDA profitable division. Most of these add-on acquisitions that we are involved in are done with 100% debt, which is at the lowest rates and close to the highest leverage ratios that I have seen in the growth market. For the first time, lenders are allowing pro-forma synergy adjustments in calculating EBITDA and debt capacity. AGC Partners is open for business with all PE firms but has done the most with Thoma, connecting on eight deals thus far.

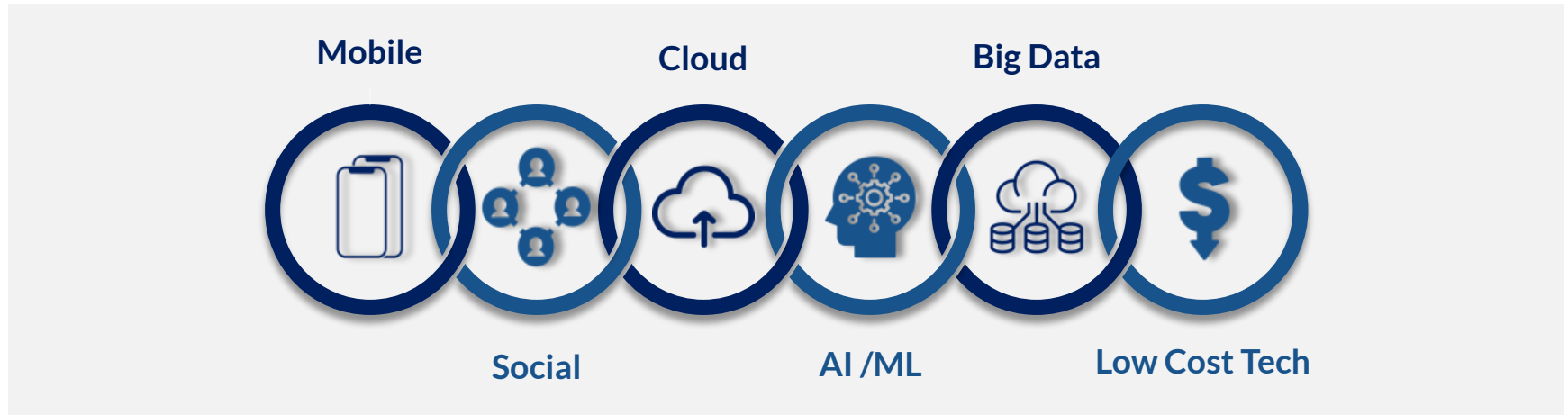
In the attached deck we have identified what we believe to be the core of the PE tech world, with firms ranked by number of deals, dollar value, fund formation and other key metrics. Not surprisingly, the PE “Bigs” like KKR, Blackstone and Carlyle appear on several exhibits with the largest deals. Expect more from these mega-funds as they continue to break new records, like Blackstone did with its recent \$26B fund. Right up there both in dollar terms and certainly in volumes are the pure tech firms with deals ranging from tens of millions to the billions, and lots of them. These are the firms perfecting the PE “buy and build” formula and generating oversized returns in kind. As long as that lasts, we will continue to see rapid growth in funds raised, M&A and technology leadership from this same crowd. Here's to the next 30 years.

Ben Howe

P.S. - Before jumping into the slides, I want to share a quick update on AGC. We finished our 17th year of business in 2019 with record revenues, profits, and deals closed - 35. After emptying our pipe of business in 2019, we won 10 new engagements in January. We are the SaaS deal leader with 102 closed deals and 393 total completed transactions. We have a built a high-powered team of banking specialists with 20 partners across 10 offices, including London, New York, Boston, and San Francisco. This coming Monday and Tuesday in San Francisco, AGC will host 450 private fast-growing tech companies and another 450 investors and strategics who will hold 3,200 one-on-one meetings – seeding the ground for future investments and acquisitions.

Unprecedented Period of Innovation and Investment

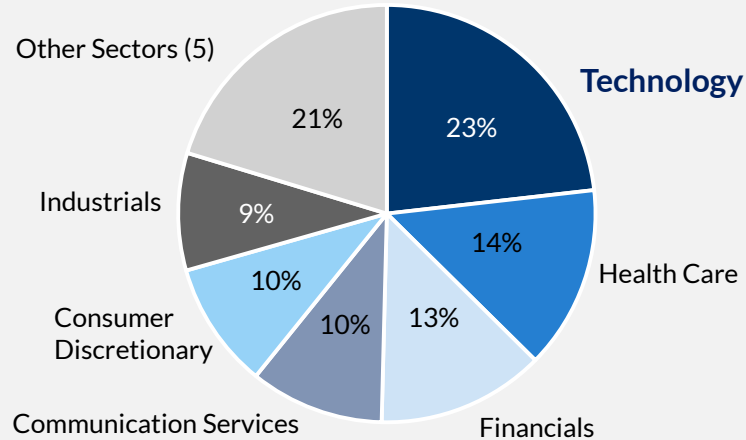
Technology pillars drive the economy like no other time in history:



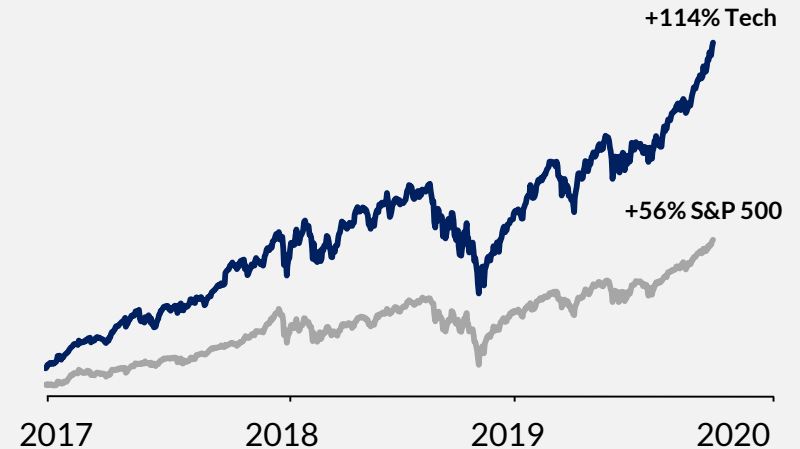
- ✓ Entrepreneurship is **driving growth** across the country and globe
- ✓ **\$100 billion** in VC investment annually and over **\$1 trillion** in PE AUMs targeting tech
- ✓ A tsunami of **disruptive innovation** is sweeping through all vertical and horizontal market sectors

Tech is the Driver of Economic Growth and Wealth Creation

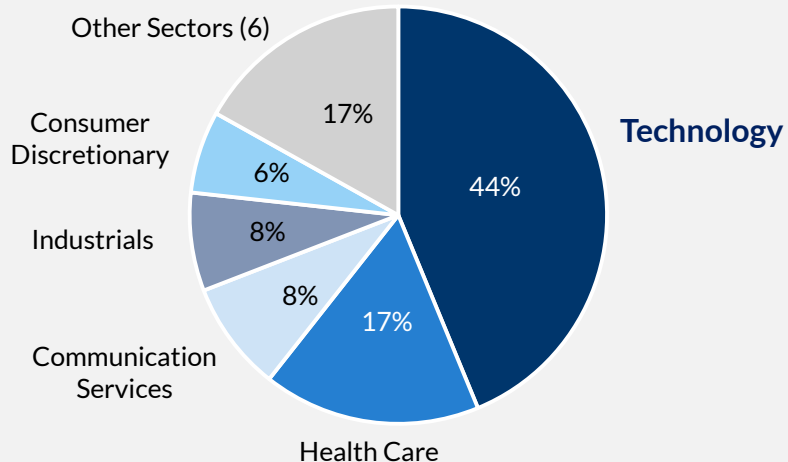
#1 in S&P 500 by Value



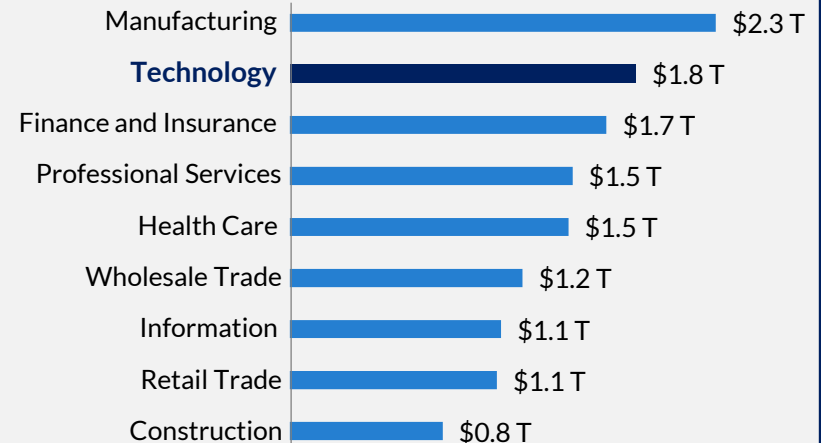
#1 Wealth Creator in Public Markets



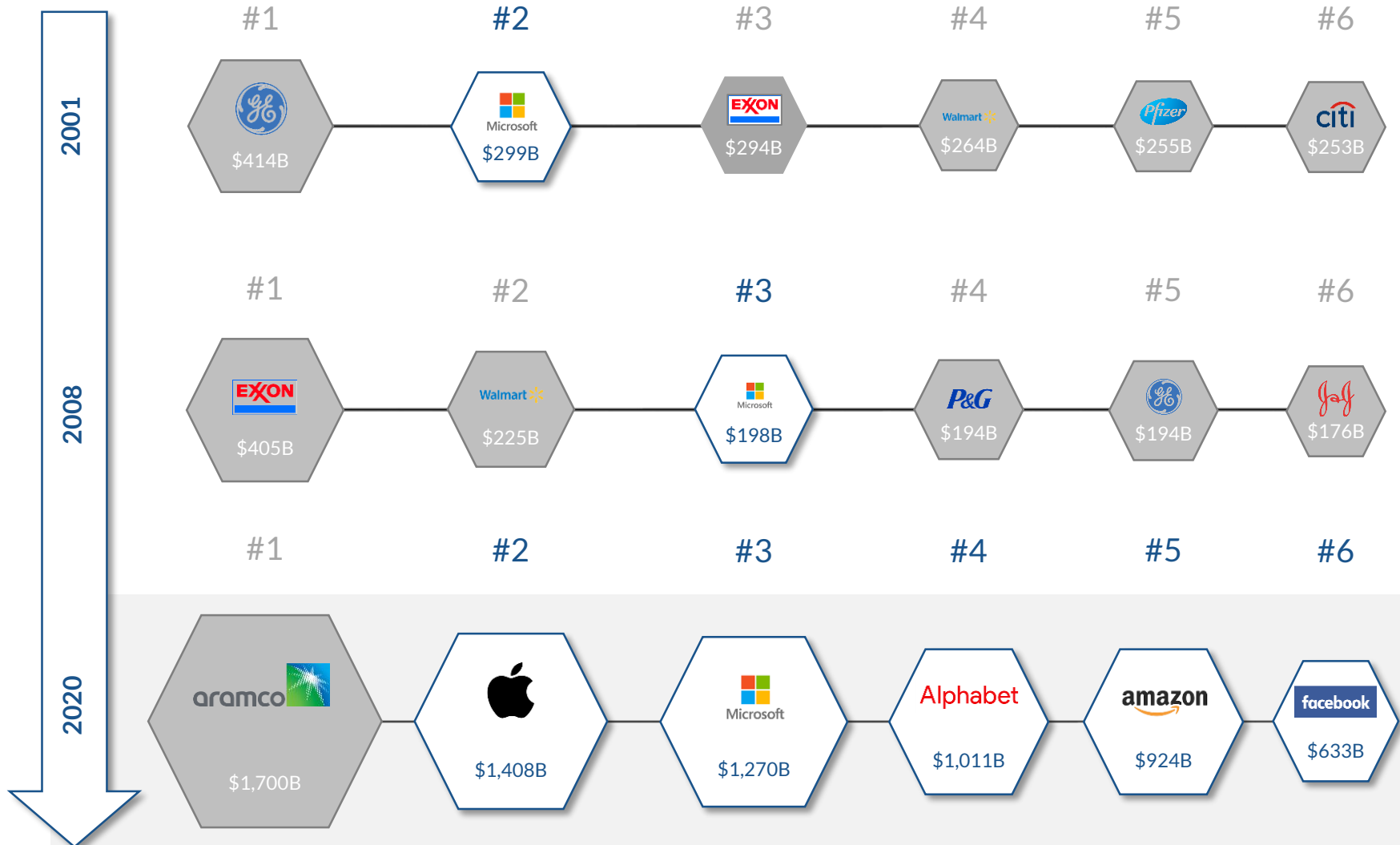
#1 in Private Placements



#2 in Industry Gross Product



Tech Titans Dominate the Mega Cap



The US Economy and Tech Capital Markets Remain Strong

Current State of the US Economy

- GDP growth is at a solid 2%
- Unemployment is the lowest in 50 years at 3.6%, and inflation concerns are low
- Interest rates have settled in near 1.5% with no big moves expected either up or down
- Inflation is stable, averaging 2.2% in '19
- The Dow is at a record high and analysts forecast S&P 500 earnings to grow 8% YoY for 2020

Economic Drivers	'14-'19 Avg.	Today
GDP	1.96%	2.1%
Unemployment	4.73%	3.60%
10yr T-Bill	2.28%	1.50%
Inflation Rate	2.00%	2.20%
Dow	\$21.7K	\$29.0K

Current State of the Tech M&A Markets

- Tech M&A deal count is down from its all-time high in '15 but solid at 3,650 deals in '19
- Tech M&A deal value was strong in '19 at \$463B
- Tech private placements are near an all-time high
- Public and private tech valuations are hanging on at record levels

Technology Markets	'14-'19 Avg.	'19
Tech M&A #	3,900	3,650
Tech M&A \$	\$470B	\$463B
Tech Privates #	8,000	8,900
Tech Privates \$	\$90B	\$105B
Public SaaS EV/Rev	8.8x	10.9x
All Tech EV/Rev	3.1x	3.8x

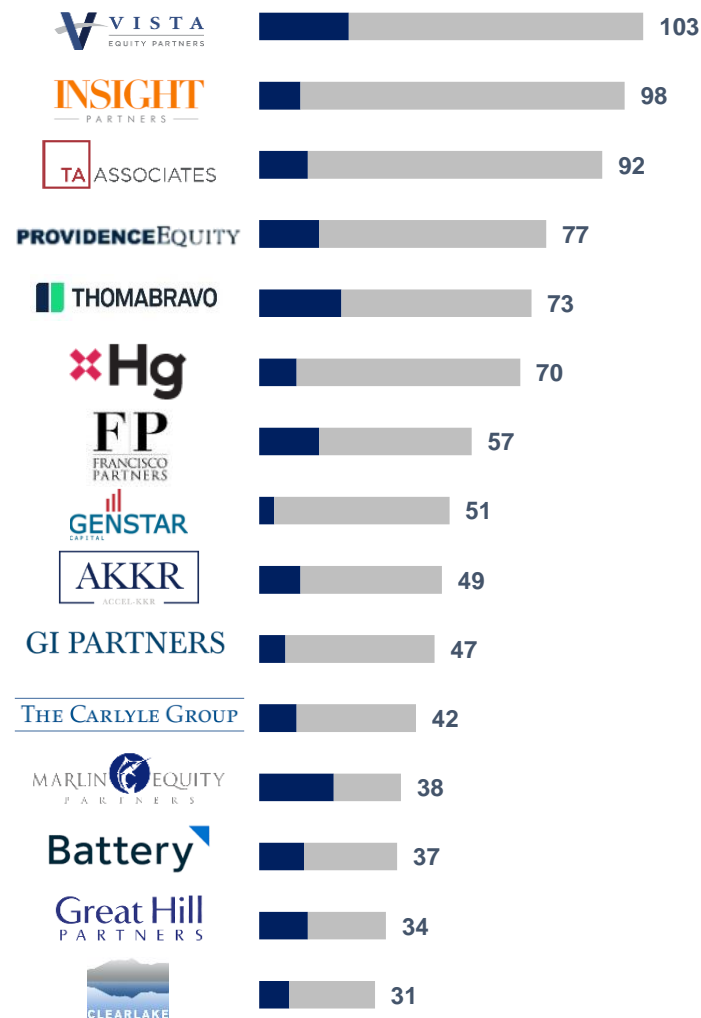
Tech PE Fund Momentum Continues – Lots of Capital & Deals

Current State of the PE Universe

- **Vista, Insight, TA, Providence, and Thoma** are leading the pack in deal activity
- There are now **200 funds** that are quality buyers for tech deals
- PE funds and their Port Cos now represent roughly **1,100 of the 3,600 tech deals** per year
- **3 out of 4 deals** are now add-on acquisitions by the portfolio companies
- The big buyout funds are jumping in with new smaller funds, including **Advent, Blackstone, Carlyle, TPG, and Thoma**
- There is a growing trend of **PE to PE M&A** which has its logic and its dark side
- More funds are combining two companies within their initial investment for **scale and synergies**
- Most funds are accelerating their cadence of **new funds and portfolio exits** – good for M&A
- Funds continue to get bigger; Thoma, Vista, and Silver Lake's buyout funds at **\$15 billion+**

For the period 1/1/18 through 12/31/19

Most Active Tech Acquirers (PEs)



































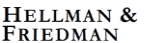



■ Platform ■ Add-on

Top 40 PE Tech Platform Leaders in 2018 and 2019

Platform leaders will be leading the charge with add-on acquisitions down the road









































Vista and Thoma Bravo remain at the top of the list with **24** and **22** direct acquisitions respectively

Out of the 1,137 total PE deals completed in 2019, **471** were platform deals

Fund	No.	Fund	No.
1. 	24	21. 	8
2. 	22	22. 	8
3. 	20	23. 	8
4. 	16	24. 	7
5. 	16	25. 	7
6. 	13	26. 	7
7. 	13	27. 	7
8. 	13	28. 	7
9. 	13	29. 	7
10. 	12	30. 	6
11. 	12	31. 	5
12. 	11	32. 	5
13. 	11	33. 	4
14. 	11	34. 	4
15. 	10	35. 	4
16. 	10	36. 	4
17. 	9	37. 	4
18. 	9	38. 	3
19. 	9	39. 	3
20. 	8	40. 	3

For the period 1/1/18 through 12/31/19































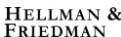









Tech AUMs for Tech Focused PEs

PE Firm	Tech AUM (\$M)	PE Firm	Tech AUM (\$M)
1.  VISTA EQUITY PARTNERS	\$52,362	21.  ICONIQ	\$4,416
2.  THOMABRAVO	34,618	22.  Montagu	4,278
3.  INSIGHT PARTNERS	27,783	23.  VECTOR CAPITAL	3,333
4.  SILVERLAKE	25,829	24.  SPECTRUM EQUITY	3,212
5.  TA ASSOCIATES	20,240	25.  JMI	3,060
6.  PROVIDENCE EQUITY	16,812	26.  STG SYMPHONY TECHNOLOGY GROUP	2,493
7.  GI PARTNERS	11,405	27.  PARTHENON CAPITAL	2,318
8.  TCV	10,901	28.  PAMLICO CAPITAL	2,208
9.  HERSEY	9,908	29.  POLARIS CAPITAL MANAGEMENT, LLC	2,150
10.  Hg	9,875	30.  AQUILINE CAPITAL PARTNERS LLC	1,978
11.  VERITAS CAPITAL	9,774	31.  FTV CAPITAL	1,858
12.  FP	8,736	32.  SEP	1,516
13.  SUMMIT PARTNERS	8,443	33.  LEVEL EQUITY	1,478
14.  GENERAL ATLANTIC	7,792	34.  ALPINE	1,469
15.  Battery	7,596	35.  KL	1,421
16.  Great Hill PARTNERS	5,855	36.  stripes	1,338
17.  AKKR	5,816	37.  LLR Partners	1,303
18.  Goldman Sachs Private Capital	5,571	38.  Bregal Sagemount	1,288
19.  MARLIN EQUITY PARTNERS	5,206	39.  bv	1,258
20.  SIRIS	5,102	40.  SAGEVIEW CAPITAL	1,170

*Tech AUMs reflect the total of disclosed funds reported to PitchBook, adjusted for return of capital and estimates of the percentage allocated to tech. As of 12/31/19.

"Tech Focused PEs" are defined as those historically allocating 50%+ to the tech sector and pursuing a growth equity or buyout strategy for 50%+ of closed funds.

Big PE Buyout Tech AUMs

PE Firm	Tech AUM (\$M)	PE Firm	Tech AUM (\$M)
1. 	\$54,635	21. 	\$5,132
2. 	42,193	22. 	5,068
3. 	28,378	23. 	5,021
4. 	24,411	24. 	4,881
5. 	24,179	25. 	4,718
6. 	21,395	26. 	4,527
7. 	20,985	27. 	4,308
8. 	20,654	28. 	4,255
9. 	20,139	29. 	4,233
10. 	18,442	30. 	3,683
11. 	18,133	31. 	3,540
12. 	14,696	32. 	3,458
13. 	13,358	33. 	3,052
14. 	12,891	34. 	2,976
15. 	11,519	35. 	2,765
16. 	9,117	36. 	2,609
17. 	8,513	37. 	2,395
18. 	5,769	38. 	1,746
19. 	5,750	39. 	1,588
20. 	5,301	40. 	1,432

*Tech AUMs reflect the total of disclosed funds reported to PitchBook, adjusted for return of capital and estimates of the percentage allocated to tech. As of 12/31/19.

PE Share of the Tech M&A Market Has Skyrocketed

Growing PE Deal Count

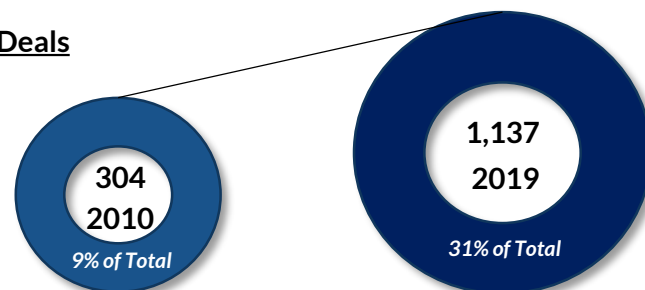
PE firms' share of the tech M&A market has skyrocketed over the last decade, from **9% of deal volume in 2010 to 31% today**

This trend was especially pronounced over the last 5 years, with the number of PE-led deals nearly **doubling from 586 to 1,137**

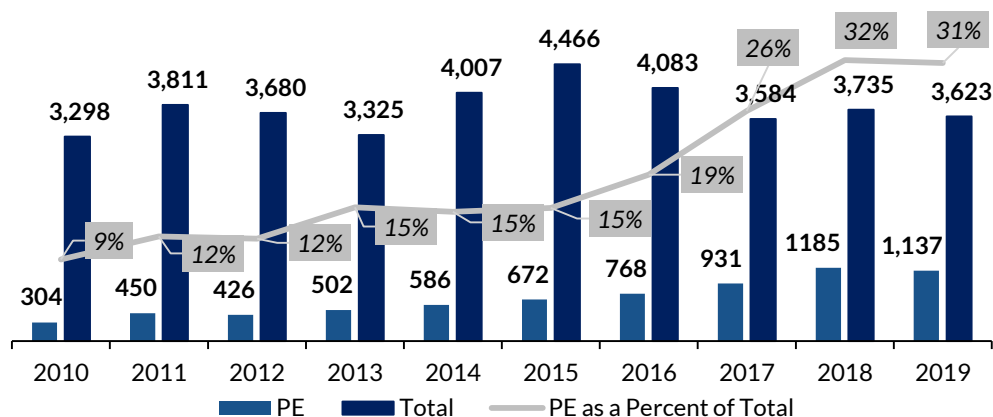
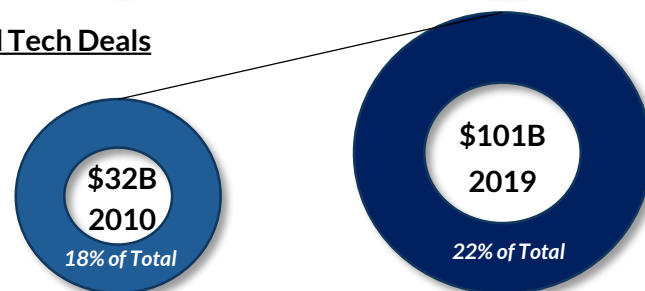
2017 & 2018 were huge breakout years for PEs during which their share **of tech deals surged from 19% to 32%**

The PE Decade: 2010-2019 by the Numbers

of PE-Led Tech Deals



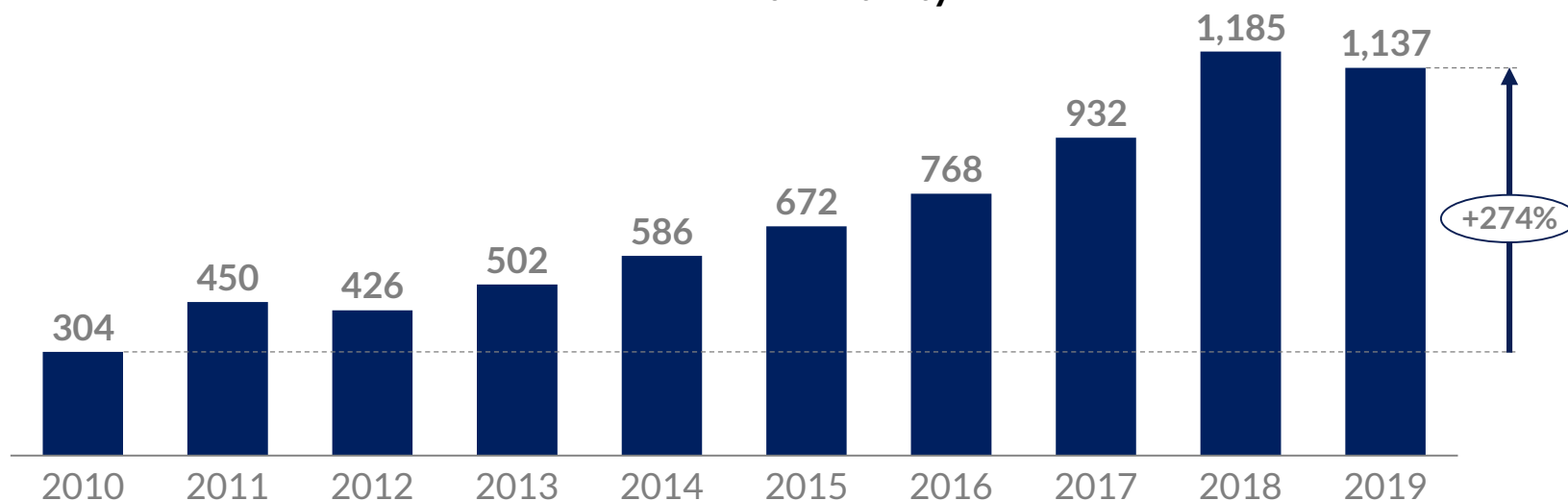
\$ Value of PE-Led Tech Deals



Tech PEs Scouring the World for Acquisitions

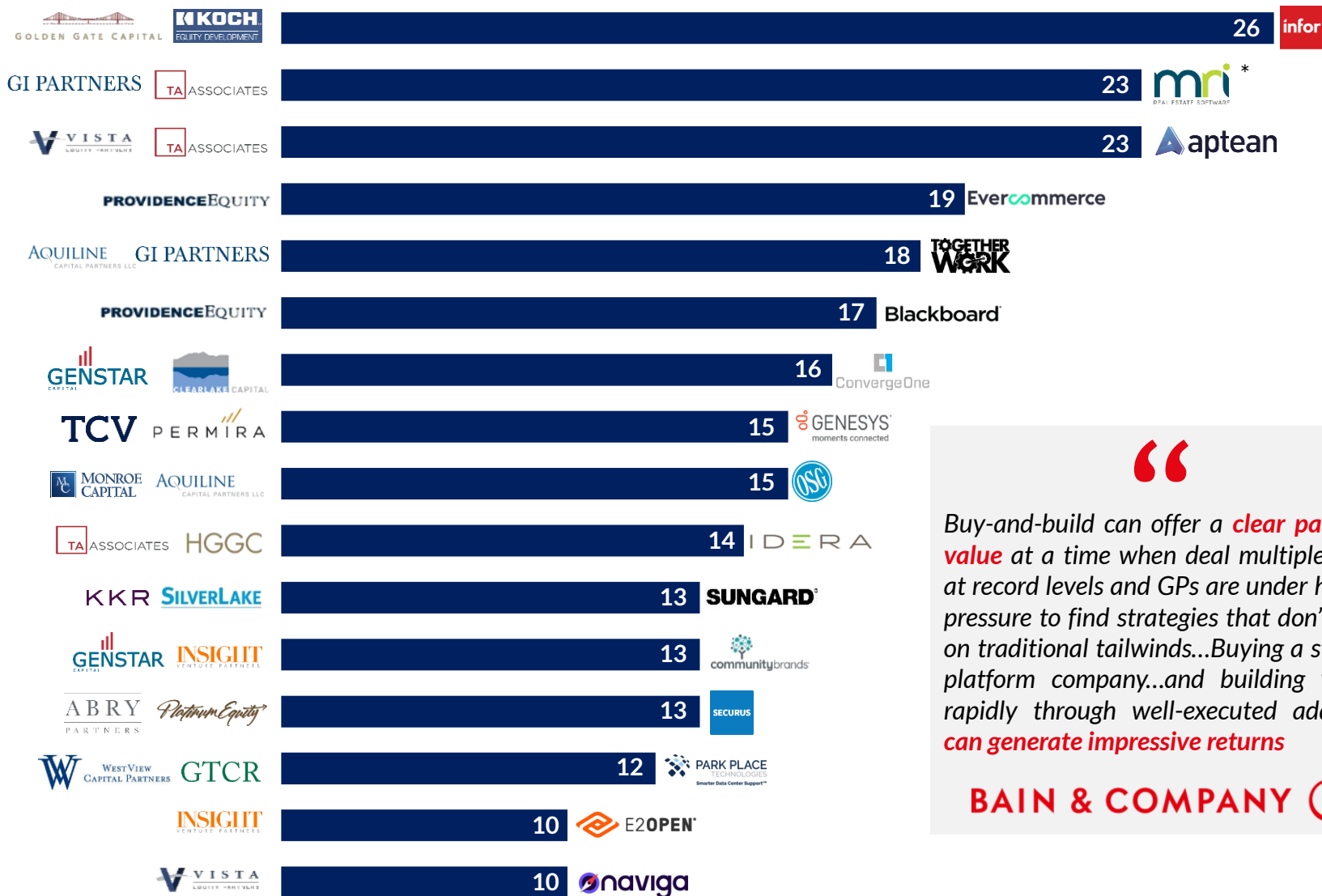
- **Extended economic growth run, historically low interest rates, supportive credit markets, and record levels of dry powder** continue to fuel Global PE activity
- The past decade has seen massive growth in aggregate capital deployed and deal volume by PEs pursuing buyouts in tech, with **\$580 billion+** in deal value and **4,600+** deals over the last 5 years alone
- It is not uncommon for PE platforms to buy a growing but unprofitable \$50 million revenue SaaS company and in short order morph it into a **\$20 to \$30 million EBITDA profitable division**
- **Buy and build strategies** have accelerated this growth among the most active tech PEs, with three out of every four transactions representing add-ons to existing platform companies

Tech PE Deal Activity



Portfolio Company Carnivores: Eating Everything in Sight

Cumulative Acquisitions Since 2010 While PE-Owned



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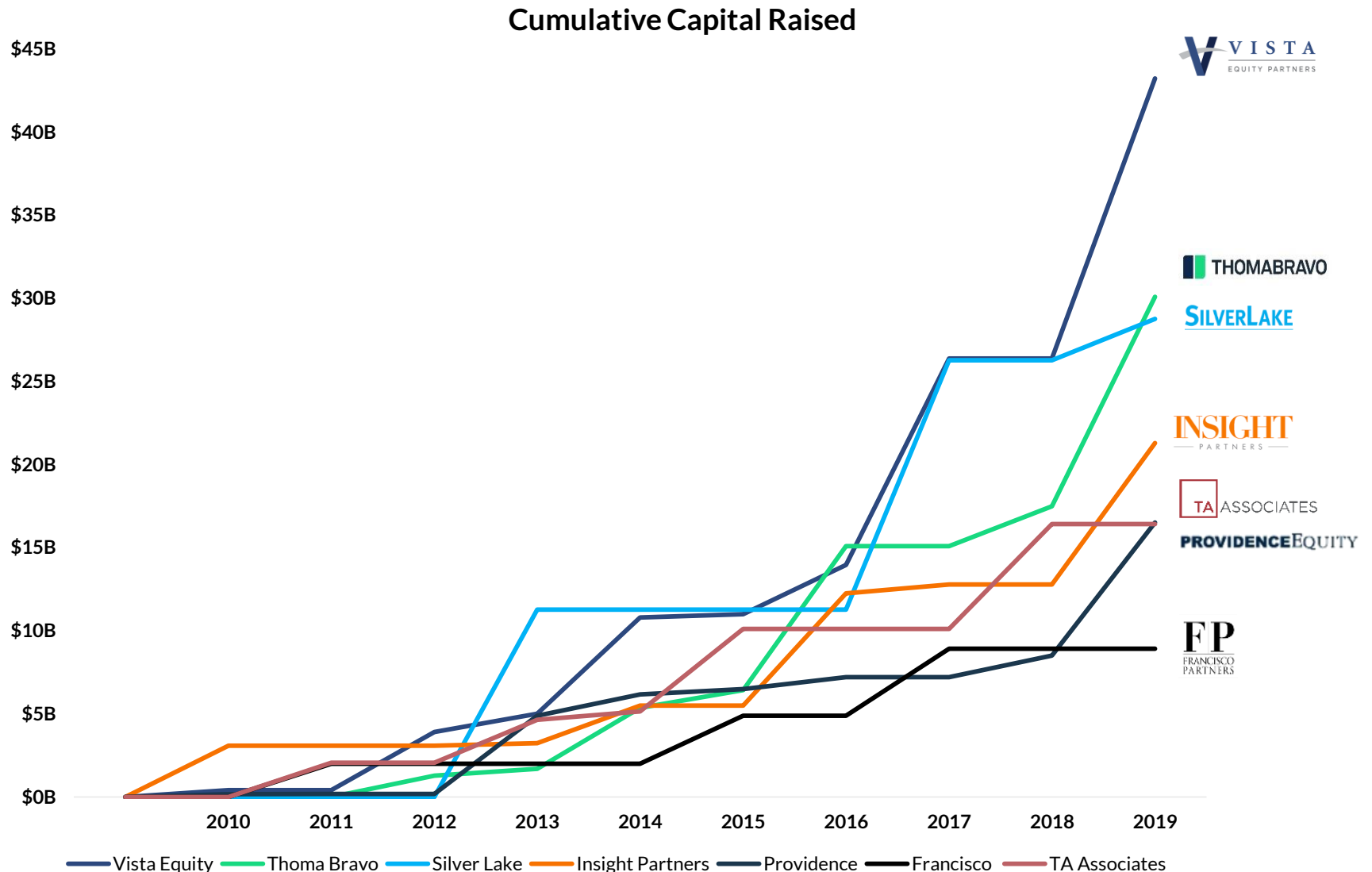
Buy-and-build can offer a **clear path to value** at a time when deal multiples are at record levels and GPs are under heavy pressure to find strategies that don't rely on traditional tailwinds...Buying a strong platform company...and building value rapidly through well-executed add-ons **can generate impressive returns**

BAIN & COMPANY

* Excludes 4 acquisitions under prior ownership by Vista

Source: 451 Research, PitchBook

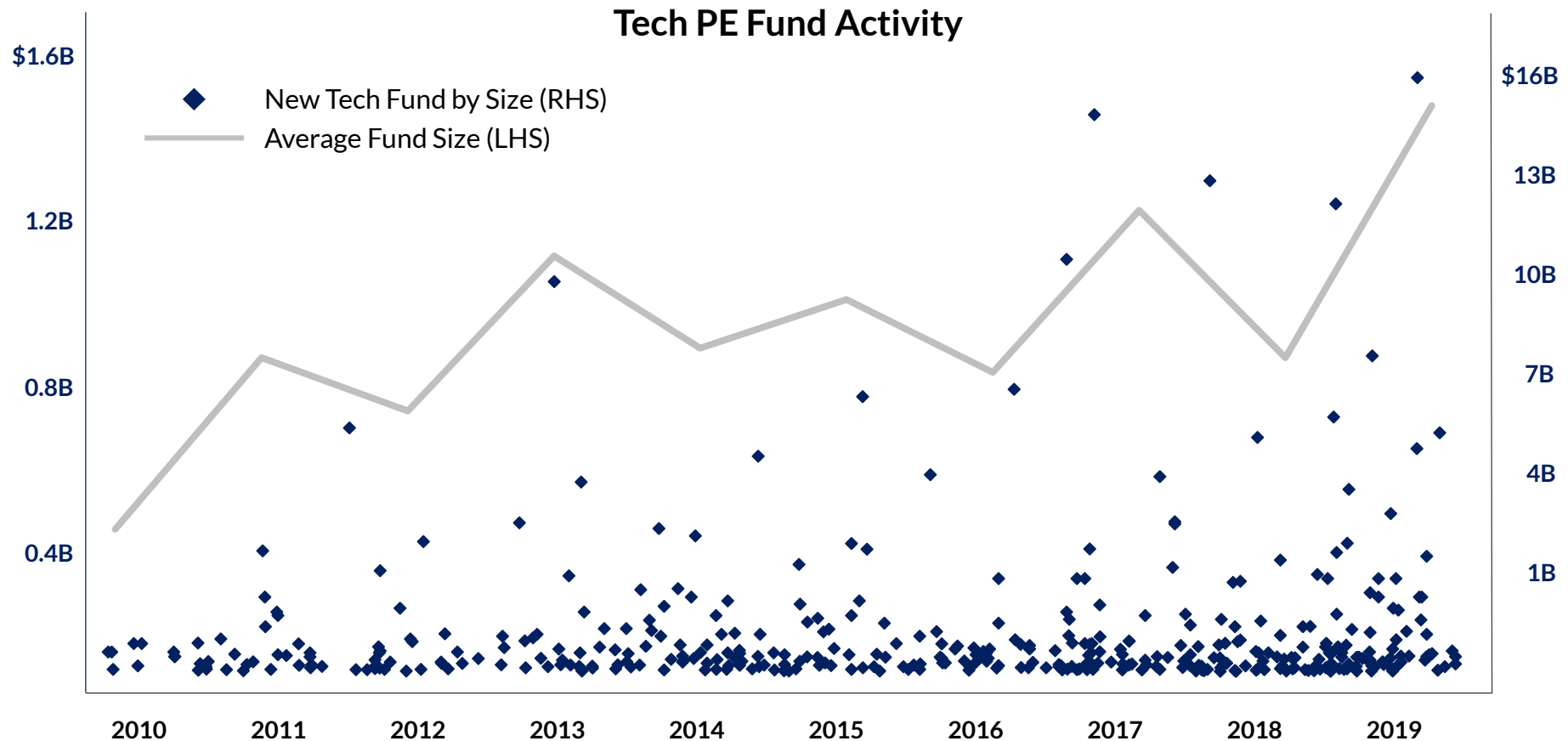
Gorillas in the Mist: Top Tech Focused Asset Gatherers Since '10



Note: "Tech Focused Asset Gatherers" are defined as those historically allocating 75%+ to the tech sector and pursuing a growth equity or buyout strategy for 50%+ of closed funds.

New Tech Funds Enter the Market and Raise at Record Rates

- Average fund size for tech-focused PE funds have **nearly quadrupled over the last 10 years**
- Mega funds like **Vista Equity Partners Fund VII (\$16B)** and **Thoma Bravo's Fund XIII (\$12.6B)** and **XIV (\$15B)** are pulling up the average size by raising record amounts of capital
- The number of closed funds focused on tech investing has **more than doubled** in the past decade



Software Tech Outperforms Broader Market

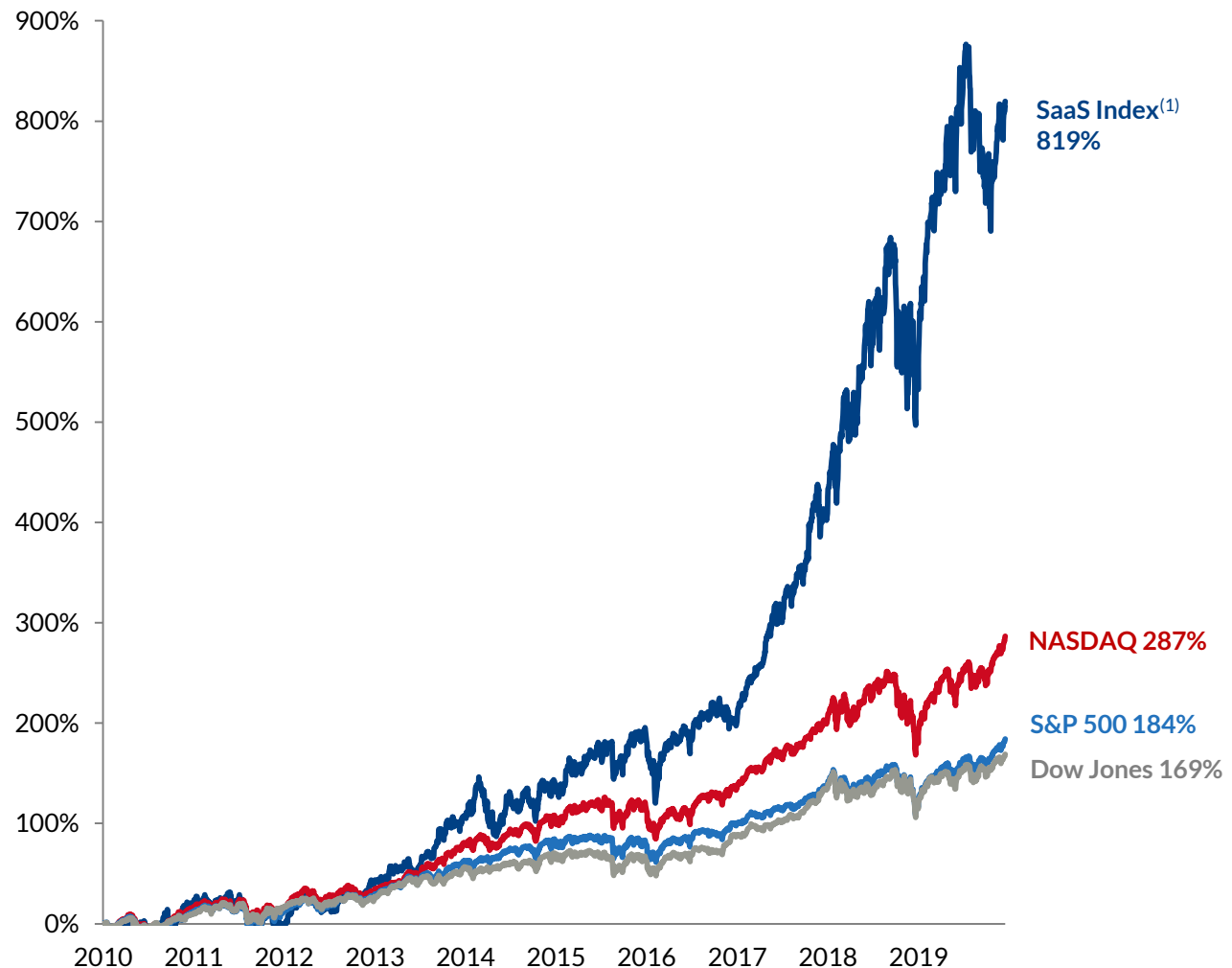
The SaaS Index⁽¹⁾ tracks the overall market performance of 47 publicly traded companies

The SaaS Index has outperformed broad-based market indices by 2.8x+

- **\$871B Market Cap**
- **10.9x EV/Rev Multiple**

SaaS is the largest segment of the \$228B cloud market, and at just 20% of the total \$420B software market, is projected to grow at a **14.7% CAGR** through 2022

This growth will continue to drive investment in the SaaS space, which saw a record **1,358 M&A deals** in 2019



⁽¹⁾The BVP Nasdaq Emerging Cloud Index

New Tech PE Funds: The Big Keep Getting Bigger...

Fund Name	Vintage	Size (\$M)	Fund Name	Vintage	Size (\$M)
Vista Equity Partners Fund VII	2018	\$16,000	TCV Fund X	2019	\$3,200
Thoma Bravo Fund XIV*	Open	15,000 *	Silver Lake Alpine	2019	2,500
Thoma Bravo Fund XIII	2019	12,600	TSSP Opportunity Fund IV	2018	2,500
TA Associates Fund XIII	2019	8,500	Great Hill Equity Partners VII	2019	2,500
Insight Venture Partners XI*	Open	7,250 *	Thoma Bravo Discover Fund II	2018	2,400
Clearlake Capital Partners VI	Open	7,000 *	KKR Next Gen Tech Growth Fund II	2019	2,200
Blackstone Growth	Open	7,000 *	Advent Global Technology Fund	2019	2,000
Insight Venture Partners X	2018	6,300	Battery Venture XIII	2019	2,000
Providence Equity Partners VIII	2019	6,000	Providence Strategic Growth IV	2019	2,000
Veritas Capital Fund VII	2019	5,000	TPG Tech Adjacencies Fund	2019	1,600
Summit Partners Growth Equity Fund X	2018	4,900	Carlyle Europe Technology IV	2019	1,445
Montagu Fund VI	Open	4,000 *	Clearlake Opportunity II	2019	1,400
Clearlake V	2018	3,623	Accel KKR III	2019	1,386
Siris Partners IV	2018	3,450	Providence Strategic Growth III	2018	1,300
General Atlantic 2017	2018	3,289 *	Battery Venture XII	2018	1,250
Vista Foundation Fund IV	Open	3,250	LLR Equity Partners V	2018	1,200

*Target only. Not yet closed.

For the period 1/1/18 through 12/31/19

Note: "Tech PE Funds" are defined as funds managed by Tech Focused PEs, plus one-off sector funds run by generalist managers. "Tech Focused PEs" are defined as those historically allocating 50%+ to the tech sector and pursuing a growth equity or buyout strategy for 50%+ of closed funds

...And the First Time Funds Keep Coming

- Market-wide momentum in tech investing and returns has **spurred fundraising across all strategies** including late stage, mid-market buyout, large-cap buyout, sector funds, structured equity, etc.
- This has given rise to another phenomenon: **new firms and rising stars spinning out of legacy firms to launch maiden funds.**

Fund Name	Size (\$M)	Lineage
Bond Capital Fund	\$1,250 *	Mary Meeker, ex-Kleiner
Cove Hill Partners Fund I	1,000	Andrew Balson, ex-Bain
Falcata Tech Investment Fund I	1,000	Robert Burnett, ex- Reynolds & Reynolds
Brighton Park Capital	750 *	Mark Dzialga, ex-General Atlantic
OceanSound Partners	750 *	Joe Benavides, ex-Veritas, Ted Coons, ex-TCV
True Wind Capital I	560	Adam Clammer & Jamie Greene, ex-KKR
Mayfair Equity Partners Fund I	520	Daniel Sasaki, ex-Lloyds Development Capital
Equality Asset Management	500 *	Tom Roberts, ex-Summit, Jeff Del Papa, ex-TA
Crest Rock Partners	400 *	Jeff Carnes & Steve Johnson, ex-Marlin
Formation Group Fund I	357	Gideon Yu, ex-Facebook
Geodesic Capital Fund I	335	Ashvin Bachiredy, ex-Andreessen Horowitz
Align Capital Fund I	325	Steve Dyke, Chris Jones & Rob Langley ex-Riverside
Diversis Capital Partners I	255	Kevin Ma & Ron Nayot, ex Gores Group
ParkerGale Capital I	240	Kristina Heinze, Devin Mathews, ex-Chicago Growth
Volpi Capital Fund I	230	Marco Sodi & Crevan O'Grady, ex-3i Group
Wavecrest Fund I	190	Deepak Sindwani & Vaibhav Nalwaya, ex-Bain & Vista
AV8	170	Baris Aksoy, ex-Google
Felix Capital Partners	120	Frederic Court, ex- Advent

*Target Only. Not yet closed.

For the period 1/1/16 to 12/31/19.

PE Spinoffs and Startups: Getting Back To Basics

- The asset management industry is replete with examples of **smaller funds outperforming larger funds**, which often outgrow their ability to generate excess returns due to:
 - Far fewer large-scale opportunities
 - The larger opportunities tend to have already been optimized – all of the juice squeezed out of the orange
 - Fund partners are spread over too many deals, watering down their effectiveness on any given portfolio company
- The advantage of new firms is the partner's ability to **provide greater focus** and attention to their investments
- Larger PEs with 100+ portfolio companies can only provide so much oversight to each individual investment, **whereas a new firm can devote 100% of its time to a much smaller group of investments**. This translates to increased management and resources at the ground level for companies that are highly management sensitive and hungry for such expertise
- Getting back to a granular level of focus on each deal allows for a fresh look at the market opportunity and business models required to succeed
- **Tech in particular is subject to constant change**, with new business models coming to the fore while others fade. Many of the new fund families being formed are attempting to capture these subtle shifts using differentiated approaches from predecessor firms or striking out on their own in a new direction
- As maiden funds and talent continue to spin out from the larger players, it will **create healthy competition for capital and investment targets alike**

Tech Revenue Multiples Hit a Near All-Time High in 2019

Healthy Tech M&A Multiples

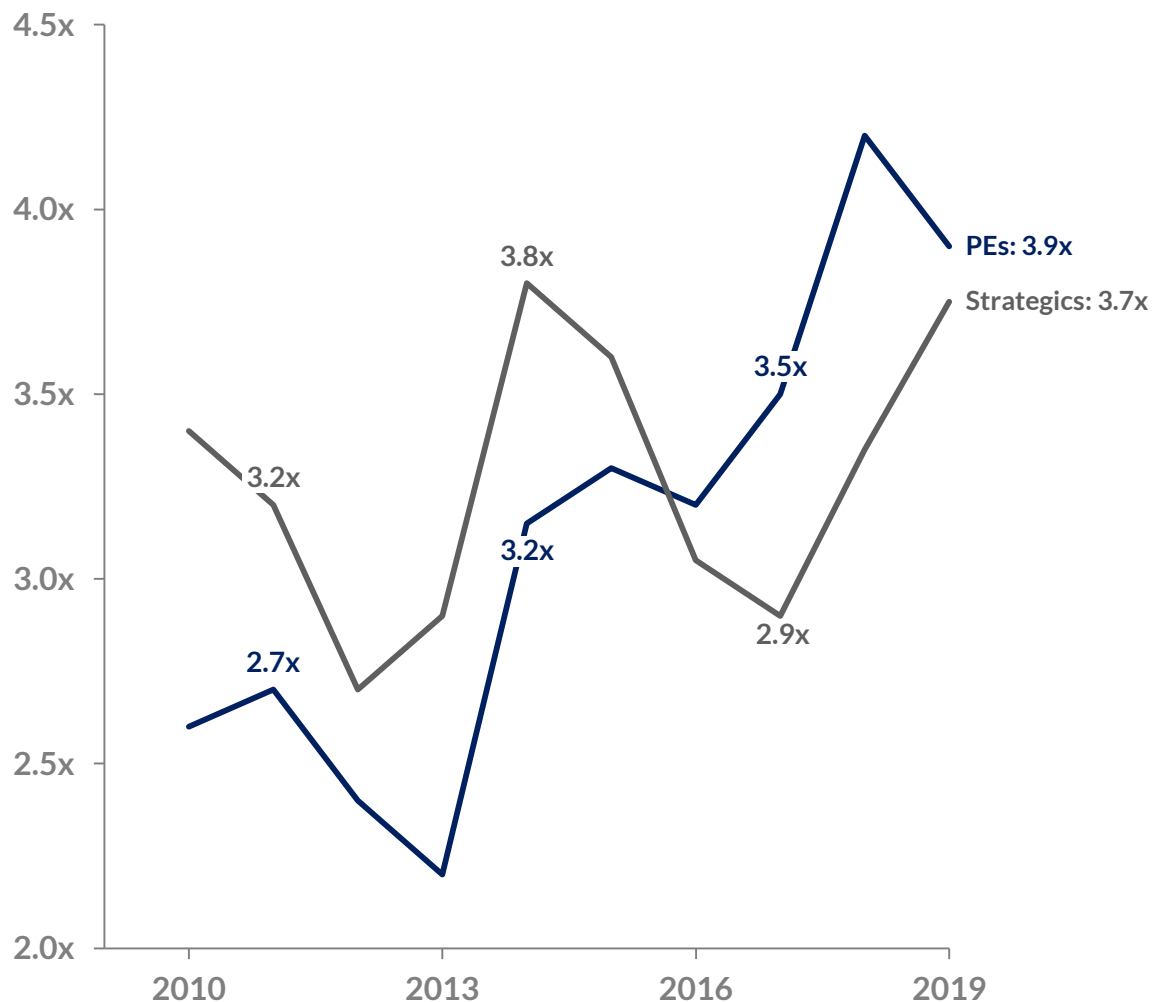
Tech M&A valuations hit a near record high in 2019, reaching a median **EV / Revenue multiple of 3.8x**

For the first five years of the last decade, strategics out-paid PEs, with **PEs taking the lead** since late 2015

While prices paid by strategics rose modestly during the decade, **PEs drove most of the gains in overall tech valuations**

PEs have transformed from turnaround specialists buying assets on the cheap, **to savvy growth investors** paying top dollar

PEs Pay A Premium: 2010-2019 Tech M&A Valuations

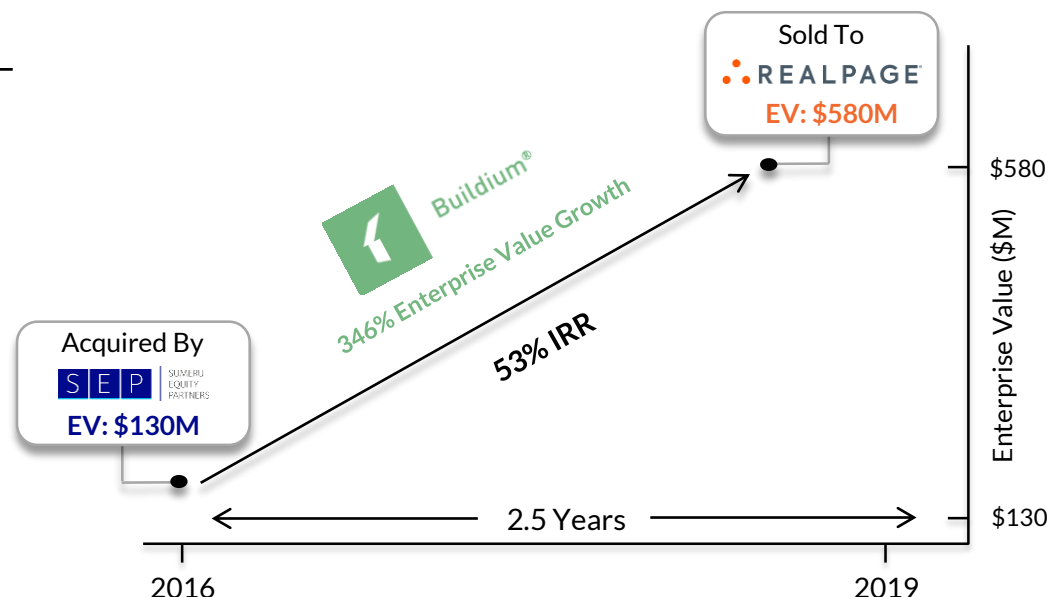


Buy & Grow or Buy & Build? Two Different Success Stories

Sumeru's Organic Buy and Grow of Buildium

Sumeru Equity Partners acquired Buildium in an AGC led auction process for \$130M in June '16, then sold to RealPage in December '19 for \$580M

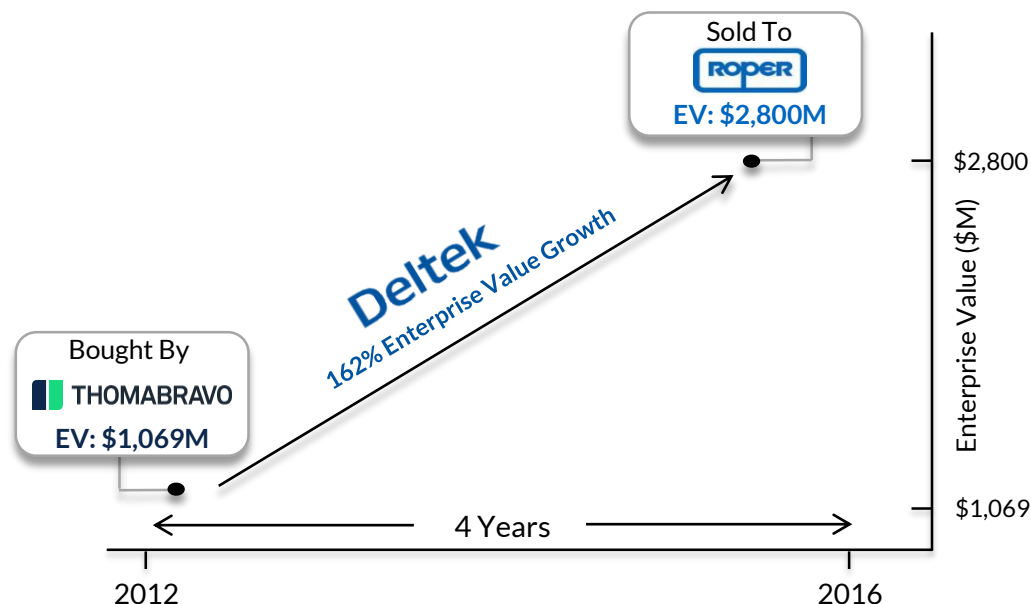
- The deal generated **\$450M** in new EV
- Sumeru acted swiftly and implemented an organic growth strategy:
 - ✓ Moved Up-Market
 - ✓ Overlaid New Products
 - ✓ Improved Retention
 - ✓ Optimized Pricing
 - ✓ Revamped Sales Force
 - ✓ Enhanced Management



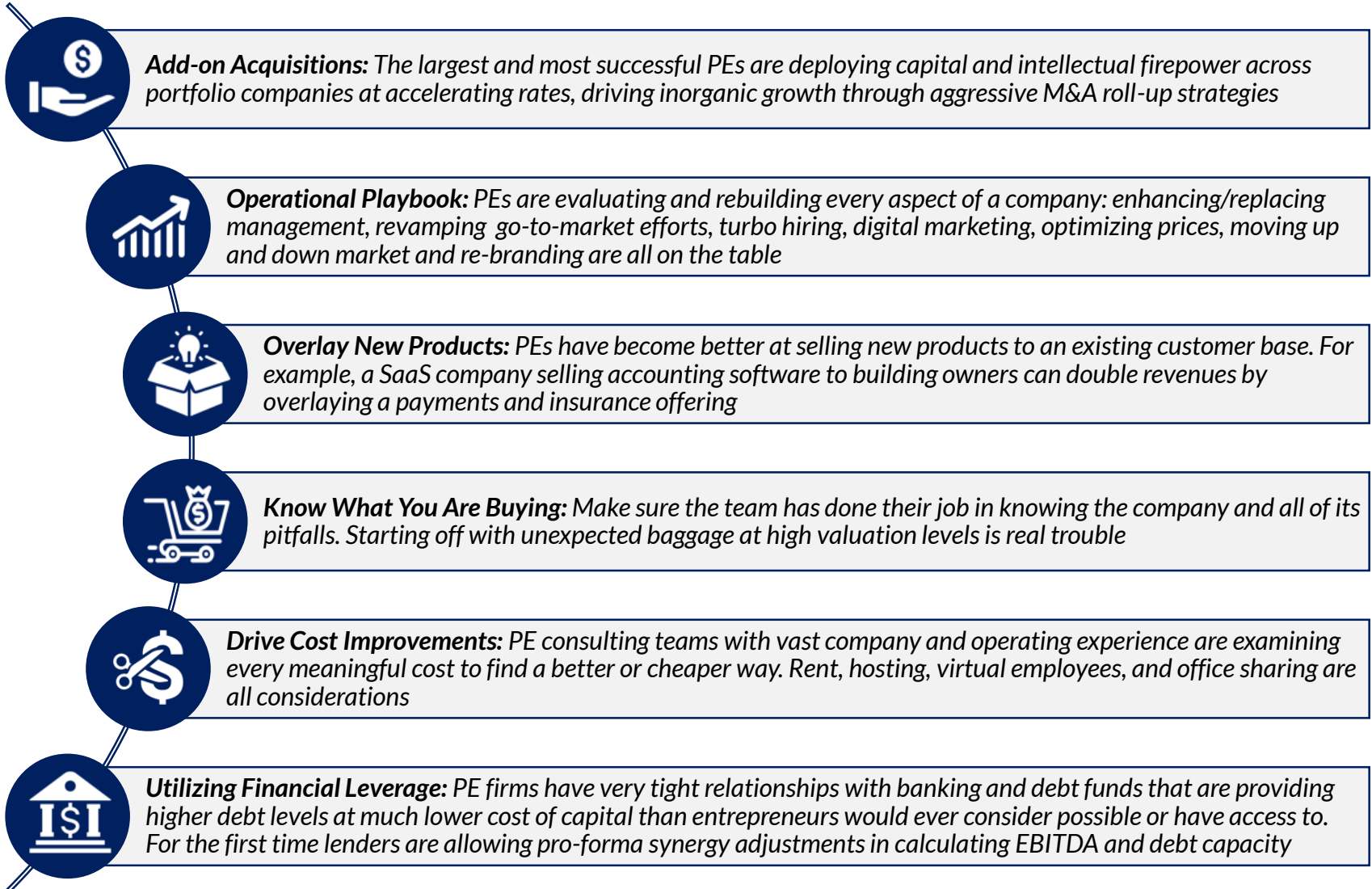
Thoma's Buy and Build of Deltek, Sale to Roper

Thoma Bravo acquired Deltek for \$1.1B in October '12, then sold to Roper in December '16 for \$2.8B

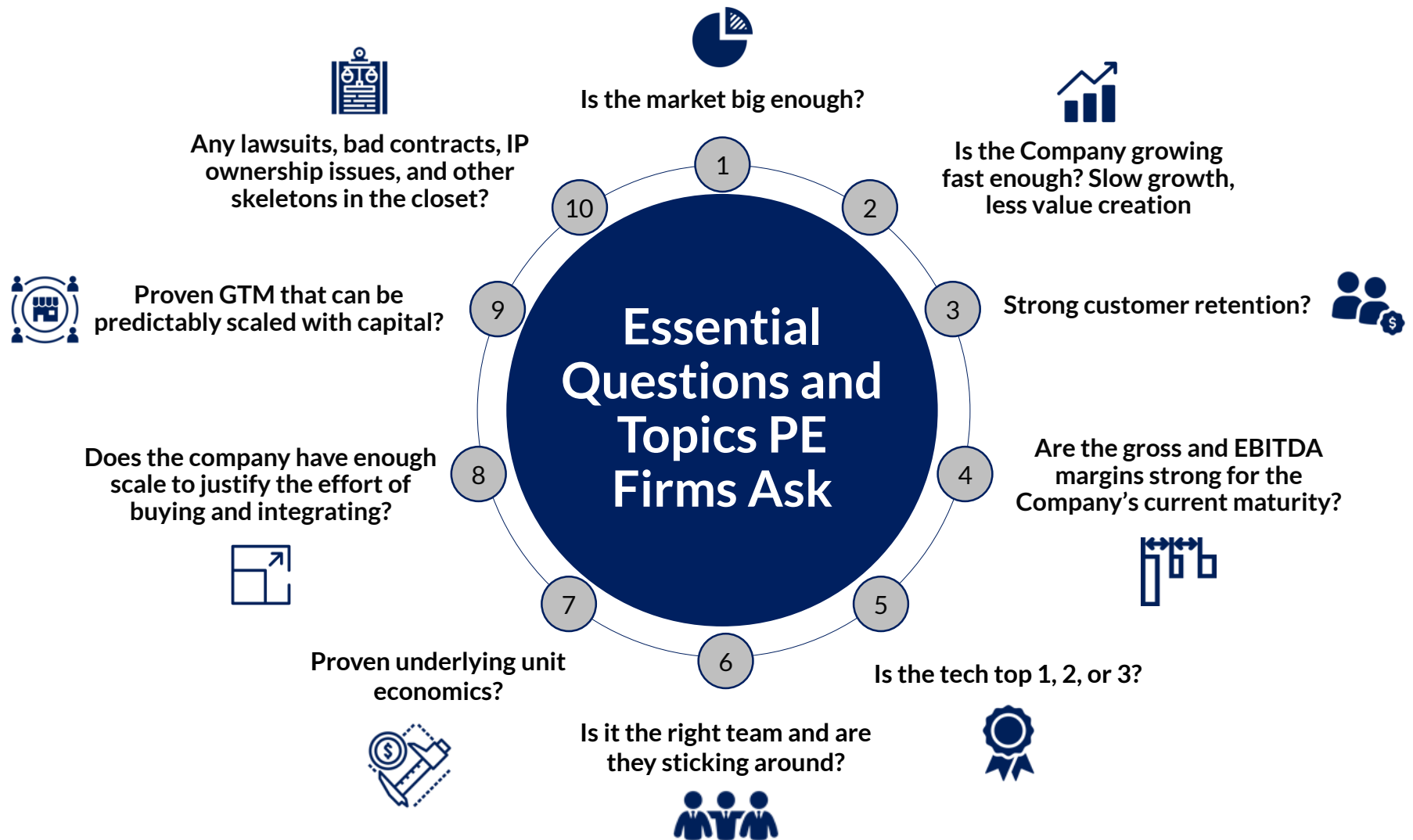
- Deltek completed **six add-on acquisitions in rapid fire fashion** (just about every six months, like clockwork):
 - Acumen
 - Centurion Research
 - Sohnar
 - Axiom Corporation
 - HR Smart
 - Union Square Software
- Each of these add-ons were believed to be fully funded by debt. **Added ~\$60M to Deltek's revenue, or 20%**
- Recurring revenue expanded by 60%** under Thoma's guidance, and EBITDA margins dramatically expanded
- Deltek was sold in 4 years generating **\$1.7B** in profit on an estimated **\$500M** investment



Common Pillars of PE Company Building

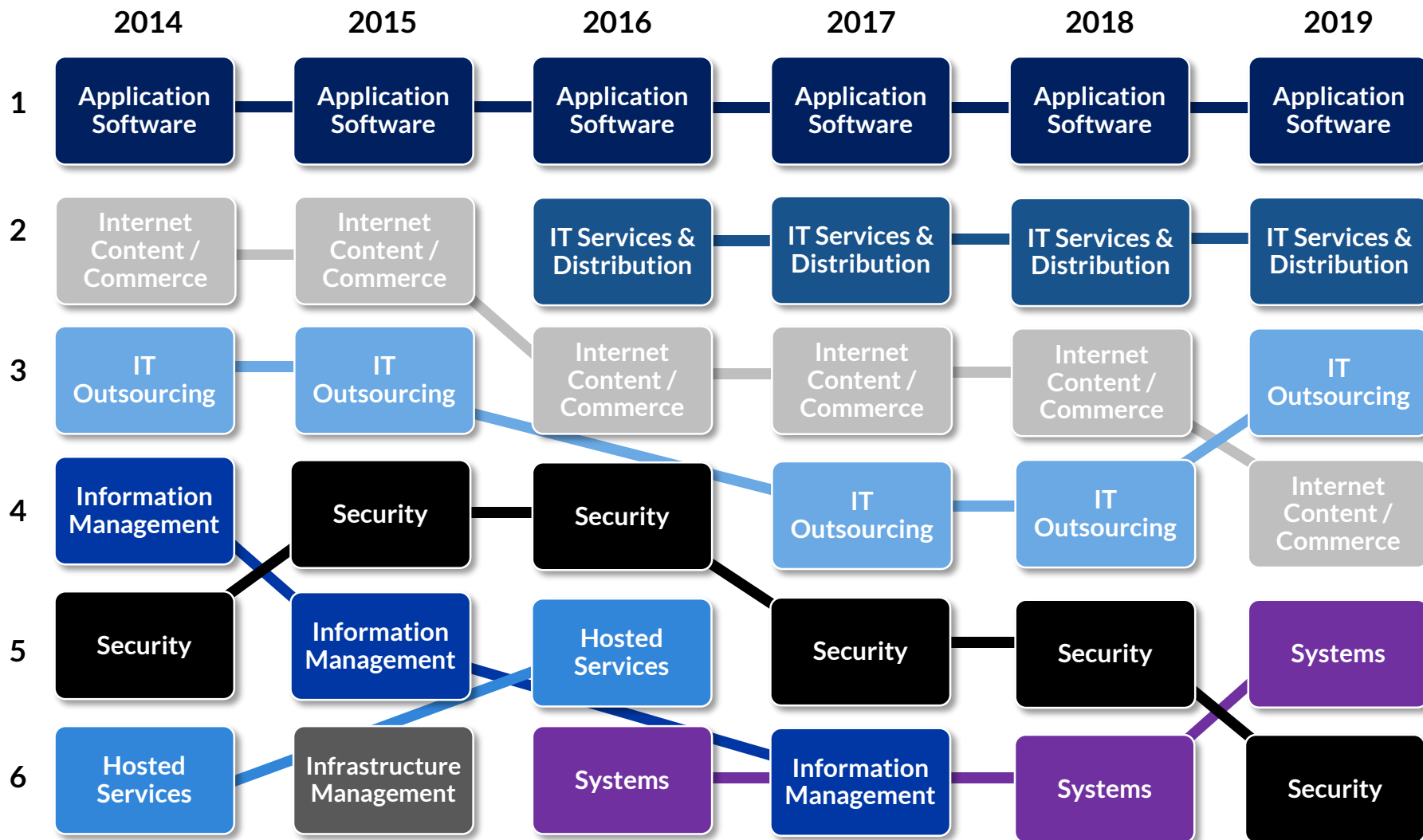


Key Acquisition Criteria in Tech



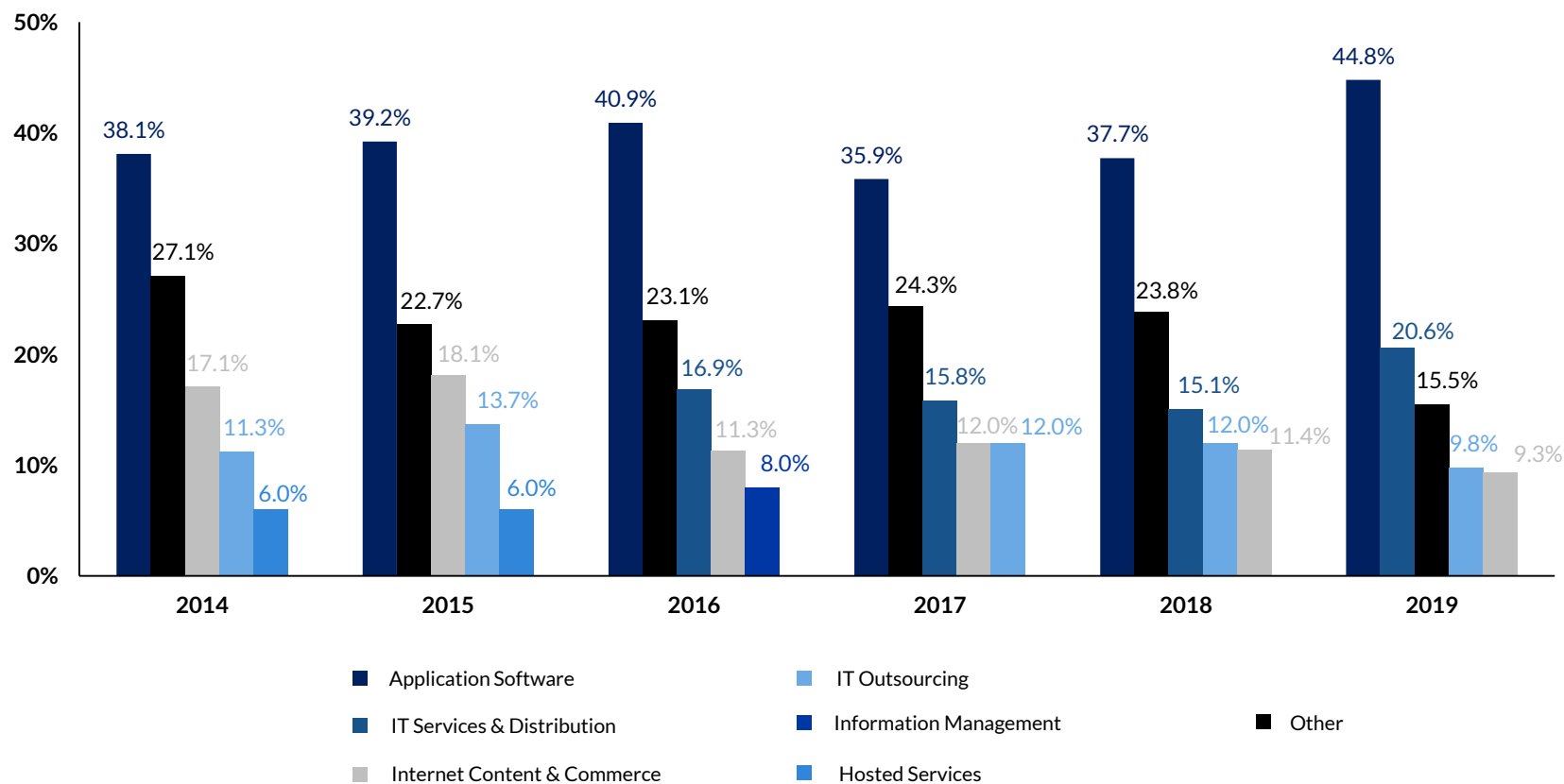
What PEs are Buying: Tech M&A by Sector

Top-Ranked Sectors for Acquisition Activity 2014 – 2019



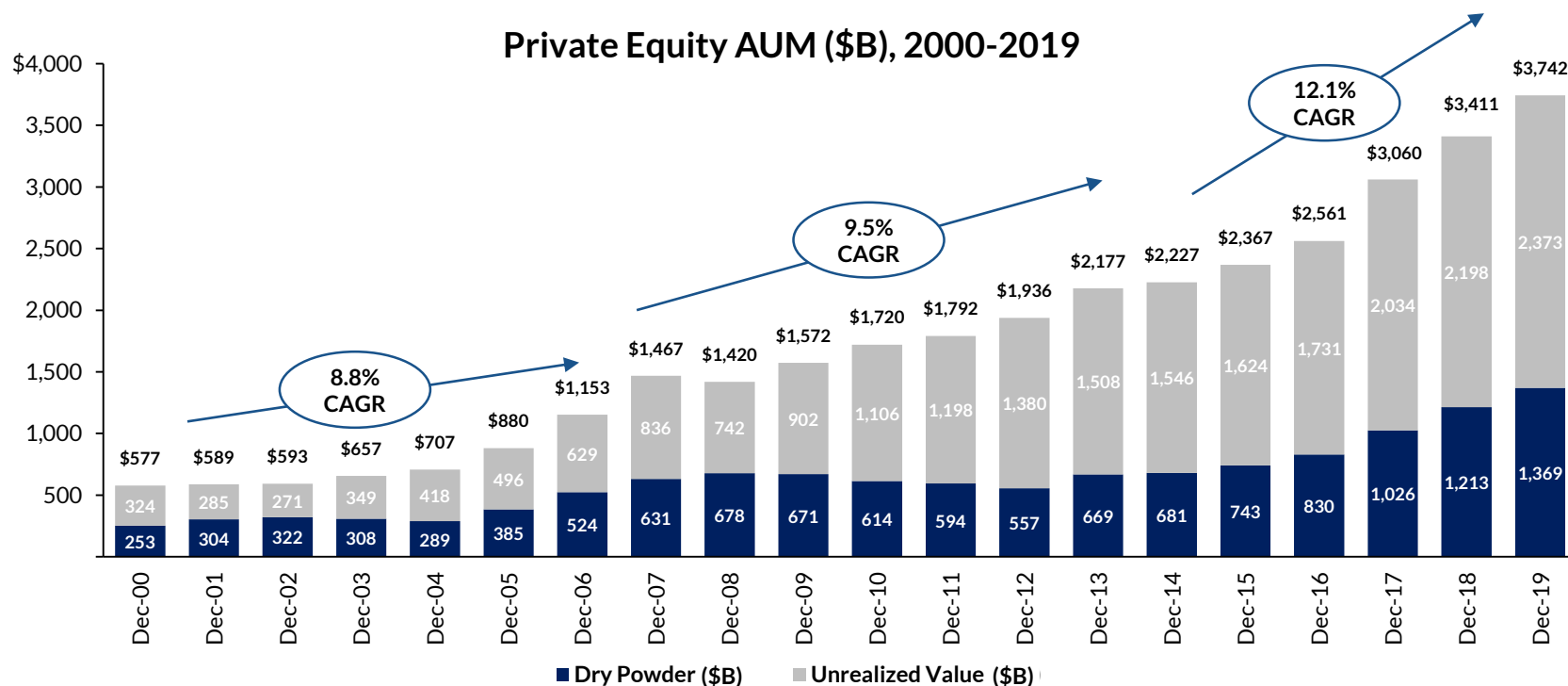
What PEs are Buying: Sector Rotation Over Time

- **Application Software** continues to dominate PE tech M&A.
- There were **420 PE-led software deals** in 2019, **up 11%** on the year. The sector now comprises **44% of total PE tech deal flow**, more than twice the next largest sector (IT services at 21%).
- **Internet Content and IT Outsourcing** have seen the greatest decline in M&A share, reflecting the more mature state of these sectors and a greater degree of consolidation.



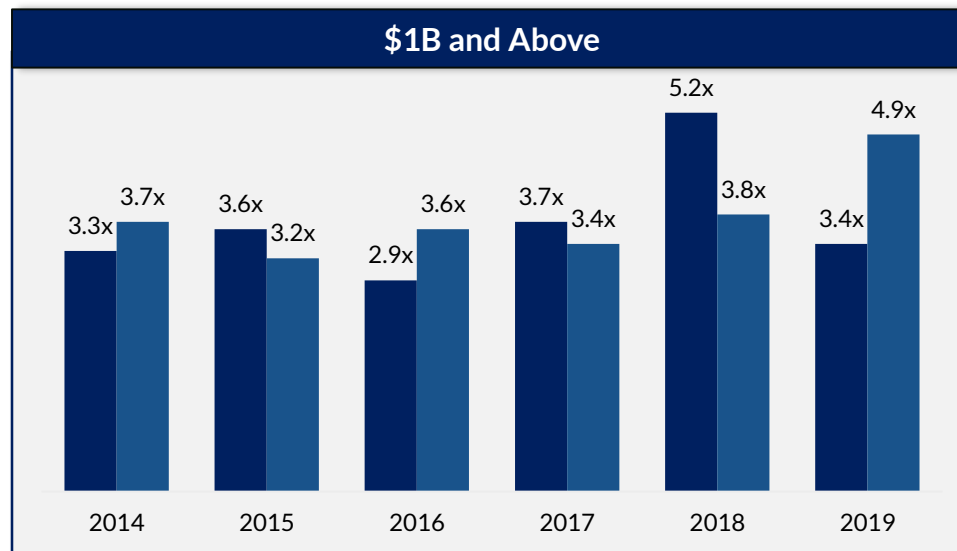
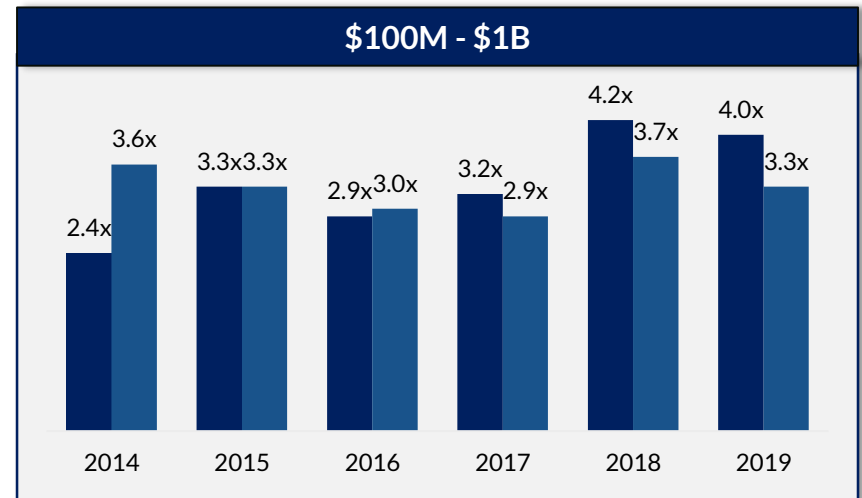
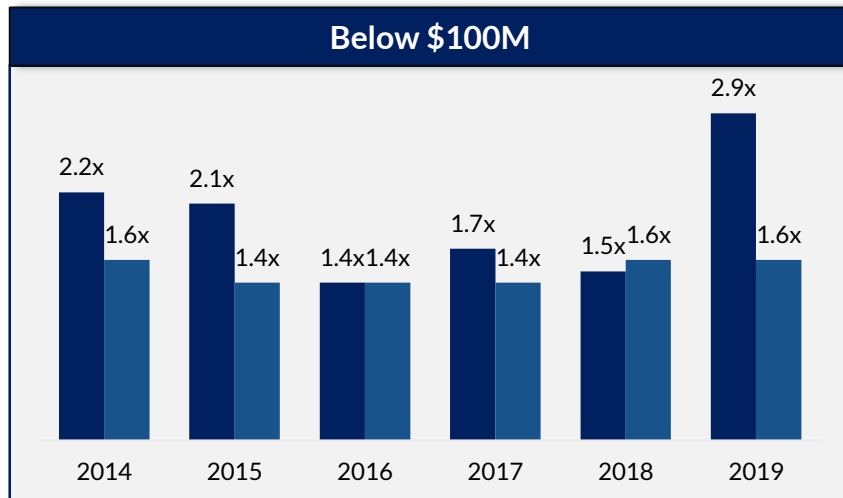
\$3.7T in Assets, \$1.3T in Dry Powder

- Over the past two decades, private equity as an asset class has **experienced tremendous growth**
- According to Prequin, AUMs now exceed **\$3.7T**
 - This does not fully capture market appreciation, which is estimated at **15%+** for the 2011-2015 vintage of funds
- At **\$1.8T**, buyout is by far the largest PE strategy and it's where most of PE dry powder is stored (**\$800B of \$1.3T total**)
- AUMs are on track to exceed \$5T By 2023, with most public pension funds playing catch-up to allocations targeting 10-15% to PE as an asset class



For Sub \$1B Deals, PEs Pay Even Higher

- Due largely to their expertise with buy and build strategies, **PEs have outpriced strategies in deals < \$1B**



■ PEs
■ Strategies

Top 40 PE Tech Acquirers – By Total Deal Count

The top five PE Tech acquirers accounted for **one-third of the top 40 deal volume**, with the majority of activity being **value creation through add-ons and tuck-ins**

Includes both platform and add-on acquisitions

<u>Fund Name</u>	<u>No.</u>	<u>Fund Name</u>	<u>No.</u>
1. Vista	103	21. Bain	23
2. Insight	98	22. Warburg	23
3. TA Associates	92	23. TPG	22
4. Providence	77	24. Silver Lake	21
5. Thoma Bravo	73	25. HGGC	21
6. Hg	70	26. Riverside	21
7. Francisco	57	27. GTCR	20
8. Genstar	51	28. H.I.G	19
9. AKKR	49	29. Blackstone	18
10. GI Partners	47	30. Apax	18
11. Carlyle	42	31. New Mountain	18
12. Marlin	38	32. Montagu	18
13. Battery	37	33. ESW	17
14. Great Hill	34	34. CVC	16
15. Clearlake	31	35. H & F	14
16. EQT	31	36. Apollo	14
17. KKR	28	37. STG	14
18. Aquiline	28	38. Siris	13
19. Alpine	25	39. Advent	13
20. ABRY	24	40. Vector	12

For the period 1/1/18 through 12/31/19

Total platform and add-on transactions in the tech sector, announced or reported only, and control transactions only

Excludes PE consortiums of more than two

Top 30 PE Backed Tech Buyouts ('18-'19)

2018 and 2019 saw some of the largest ever PE-backed take-privates of public companies

Continued take-private activity suggests that public market pricing, while efficient in nature, is not aligned with value creation in every case

Of the top 30 PE-backed deals, more than half (19) were take-privates of public

	Target	PE Acquirer	Size (\$M)	Rev. Multiple
1.	Refinitiv	Blackstone / Thomson	\$30,909	5.2x
2.	Ultimate Software	H & F / Blackstone	10,876	9.9x
3.	Anixter	CDR	8,712	0.4x
4.	BMC Software	KKR / Bain Capital	8,400	3.8x
5.	Dun & Bradstreet	CC / Cannae / Thomas Lee	6,964	3.9x
6.	Sedgwick Claims	Carlyle / Adrian	6,700	ND
7.	Travelport Worldwide	Siris / Elliott	6,406	2.5x
8.	Tech Data	Apollo Global	6,168	0.2x
9.	Athenahealth	Veritas / Elliott	5,397	4.1x
10.	Cotiviti	Veritas	4,900	6.6x
11.	Cobham	Advent International / Blackrock	4,899	2.0x
12.	Kantar Media	Bain Capital	4,000	1.0x
13.	Sophos	Thoma Bravo	3,948	5.5x
14.	Blackhawk Network	Silver Lake / P2	3,885	1.9x
15.	Ellie Mae	Thoma Bravo	3,566	7.5x
16.	Verifone	Francisco / BC Investment	3,400	1.8x
17.	Scout24	Hellman & Friedman	3,224	ND
18.	Zoopla Property	Silver Lake / GIC	3,136	9.6x
19.	Cision	Platinum Equity	2,638	3.6x
20.	Web.com	Siris	2,616	3.5x
21.	SUSE	EQT / Ardian	2,535	7.9x
22.	Shutterfly	Apollo Global	2,493	1.2x
23.	FNZ Group	CDPQ / Generation	2,163	ND
24.	Lifescan	Platinum Equity	2,100	1.4x
25.	Presidio	BC Partners	2,053	0.7x
26.	Rocket Software	Bain Capital	2,000	ND
27.	EagleView Technologies	Clearlake / Barclays	2,000	ND
28.	Mitel Networks	Searchlight	2,000	1.9x
29.	Imperva	Thoma Bravo	1,891	5.5x
30.	Apptio	Vista	1,851	8.2x

Bolded and Italicized denote take-private transactions

For the period 1/1/18 through 12/31/19

Top 30 PE Backed Tech M&A Exits ('18-'19)

Compelling **valuations**, strong **debt markets**, increased **speed to close** and accumulating **dry powder** were all factors that drove major liquidity events for tech-focused PEs in 2018 and 2019

Of the 30 transactions listed, **10 were PE to PE secondary sales**

	Target	Seller	Size (\$M)	Rev. Multiple	Buyer
1.	Refinitiv	Blackstone	\$27,029	5.0x	London Stock Exchange
2.	BMC Software	Bain Capital, Golden Gate	8,400	4.8x	KKR
3.	GitHub	IVP, Sequoia	7,500	20.0x	Microsoft
4.	Vivint	Blackstone	5,547	5.0x	Mosaic Solutions
5.	Cotiviti	Advent	4,900	6.6x	Veritas Capital
6.	Marketo	Vista Equity Partners	4,750	ND	Adobe
7.	Sky Betting	CVC Capital	4,710	5.6x	Stars Group
8.	Clarivate	Onex, Baring Equity	4,200	ND	Churchill Capital
9.	Honey Science	Athos Capital, Ludlowe	4,000	20.0x	PayPal
10.	Woowa Brothers	Goldman Sachs, Altos	3,995	9.1x	Delivery Hero
11.	Antelliq	BC Partners	3,700	8.9x	Merck
12.	Nets Holding	Hellman & Friedman	3,190	ND	Mastercard
13.	ADT Korea	Carlyle	2,768	4.1x	SK Telecom / Macquarie
14.	Looker	Kleiner Perkins, First Round	2,600	28.9x	Google
15.	Linxens	CVC Capital	2,600	4.3x	Tsinghua Unigroup
16.	Beijing Mobike Tech.	Warburg Pincus; TPG	2,469	ND	Meituan
17.	Duo Security	GV, Redpoint, Meritech	2,350	18.8x	Cisco
18.	Vera Mobility	Platinum Equity	2,279	6.6x	Gores Group
19.	EVERY ASA	Apax	2,234	ND	Tieto
20.	Kokusai Electric	KKR	2,200	ND	Applied Materials
21.	iZettle AB	83North, Index; Zouk	2,200	19.0x	PayPal
22.	Flatiron Health	Allen, Baillie Gifford	2,184	ND	Roche Holding
23.	FNZ (UK)	General Atlantic, H.I.G.	2,164	ND	CDP / Generation
24.	Mitel Networks	Francisco	2,000	1.9x	Searchlight Capital
25.	Accruent	Genstar	2,000	ND	Fortive
26.	GlobalLogic	Apax	2,000	ND	Partners Group
27.	Rocket Software	Court Square	2,000	ND	Bain Capital
28.	EagleView	Vista Equity Partners	2,000	ND	Clearlake
29.	Polycom	Brentwood, Siris	2,000	1.8x	Plantronics
30.	Aricent	KKR	2,000	2.9x	Altran Technologies

For the period 1/1/18 through 12/31/19

Bolded and Italicized denote PE to PE secondary sales

Top 40 Strategic Tech Acquirers – By Total Deal Count

Like the PE tech world, the **strategic tech acquirer world** is pursuing a high frequency, “**buy and build**” **approach** to M&A

Just 10 of the 40 most active strategic acquirers did blockbuster deals (\$1B+) over the last two years; **most focused on small tuck-ins and bolt-on acquisitions**

All of Accenture's 48 transactions were tuck-ins

<u>Company Name</u>	<u>No.</u>	<u>Company Name</u>	<u>No.</u>
1. Constellation Software	51	21. Ebix	12
2. Accenture	48	22. Salesforce	11
3. Microsoft	27	23. Broadridge Financial	11
4. Dentsu	25	24. Coinbase	11
5. j2 Global	25	25. Bentley Systems	10
6. Alphabet	20	26. Facebook	9
7. WiseTech Global	20	27. Upland Software	9
8. Apple	19	28. Asure Software	9
9. Siemens	18	29. Palo Alto Networks	8
10. Alibaba	15	30. Valsoft	8
11. Amazon	15	31. Animoca Brands	8
12. Walmart	14	32. Cognizant	8
13. Hexagon	14	33. Tyler Technologies	8
14. Deloitte	14	34. Intel	8
15. VMware	13	35. NCR Corp	8
16. Cisco	13	36. Converge Technology	8
17. DXC Technology	13	37. Descartes Systems	7
18. NuMSP	13	38. Capgemini	7
19. Keywords Studios	13	39. Enghouse Systems	7
20. Oracle	12	40. Access Information	7

For the period 1/1/18 through 12/31/19

Top 40 Strategic Tech Acquirers – By Total Value

There were **fewer \$1B+ transactions** by strategics this year than last year

63 deals of \$1B or more were announced in 2019 versus **76 in 2018**

Non-tech companies have joined the fray as active M&A players in tech

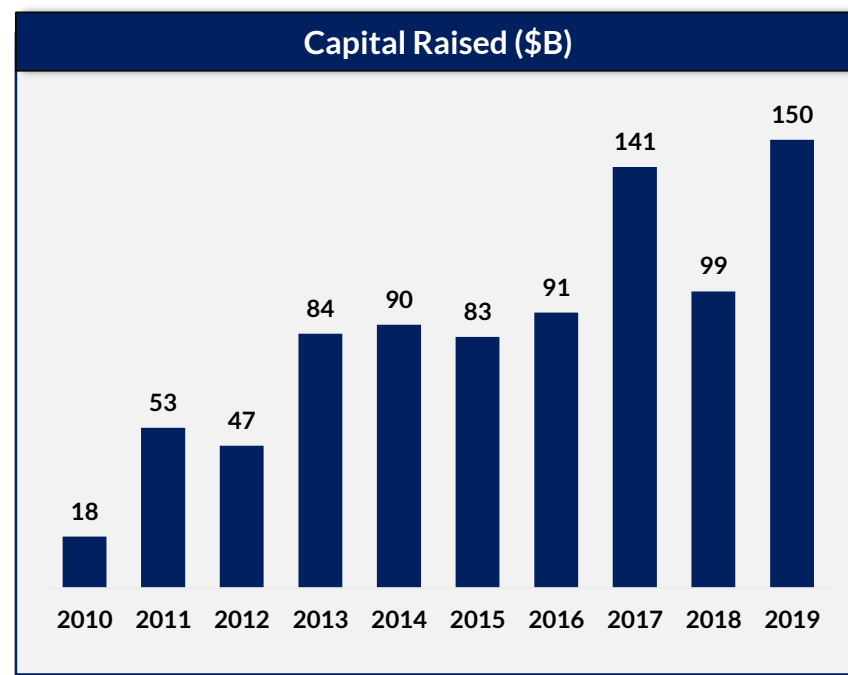
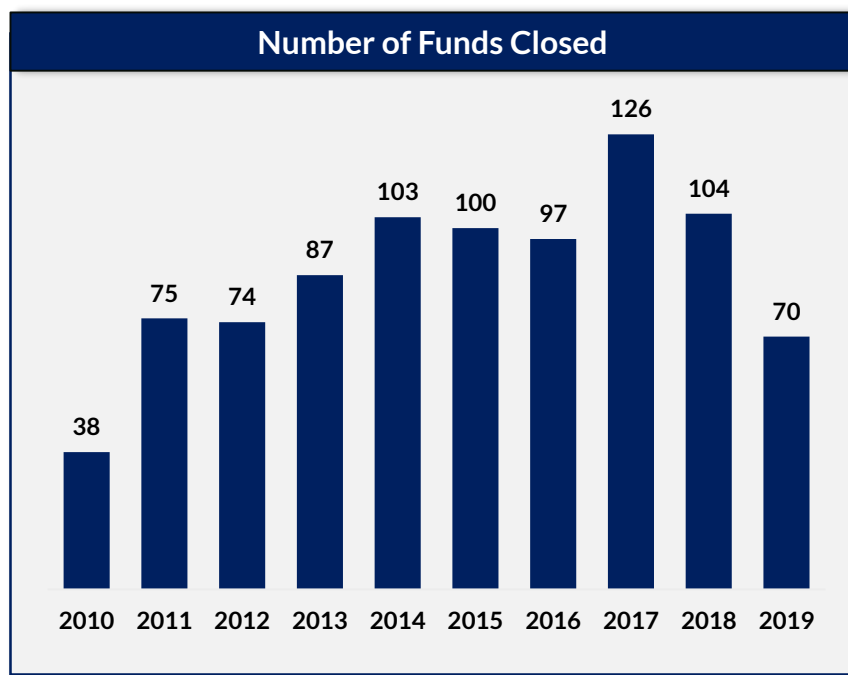
Walmart is one notable example, having completed **14 tech transactions** for \$16.2B total over the last two years

Company Name	Value (\$M)	Company Name	Value (\$M)
1. FIS	\$35,500	21. Dassault	\$6,169
2. IBM	33,484	22. Cisco Systems	6,120
3. Broadcom	29,600	23. CME Group	5,400
4. Salesforce	23,935	24. Alphabet	4,860
5. Fiserv Inc.	22,746	25. The Stars Group	4,828
6. Global Payments	22,325	26. Capgemini	4,599
7. Walmart	16,225	27. Publicis	4,449
8. Harris Corporation	15,640	28. Zhejiang Century	4,344
9. SAP	10,400	29. Entegris	4,220
10. Infineon	9,230	30. TransDigm Group	4,132
11. Microchip	8,350	31. Atos	3,400
12. Alibaba Group	8,246	32. KLA-Tencor	3,400
13. SS&C	8,027	33. II-VI Incorporated	3,285
14. Microsoft	7,810	34. Uber	3,239
15. CommScope	7,400	35. Sirius XM	3,230
16. General Dynamics	6,900	36. VMware	3,210
17. NVIDIA	6,778	37. Tele2 AB	3,180
18. Adobe	6,535	38. Richemont	3,178
19. Renesas Electronics	6,313	39. Altra	3,000
20. Bharti Infratel	6,260	40. CK Hutchison	2,860

For the period 1/1/18 through 12/31/19

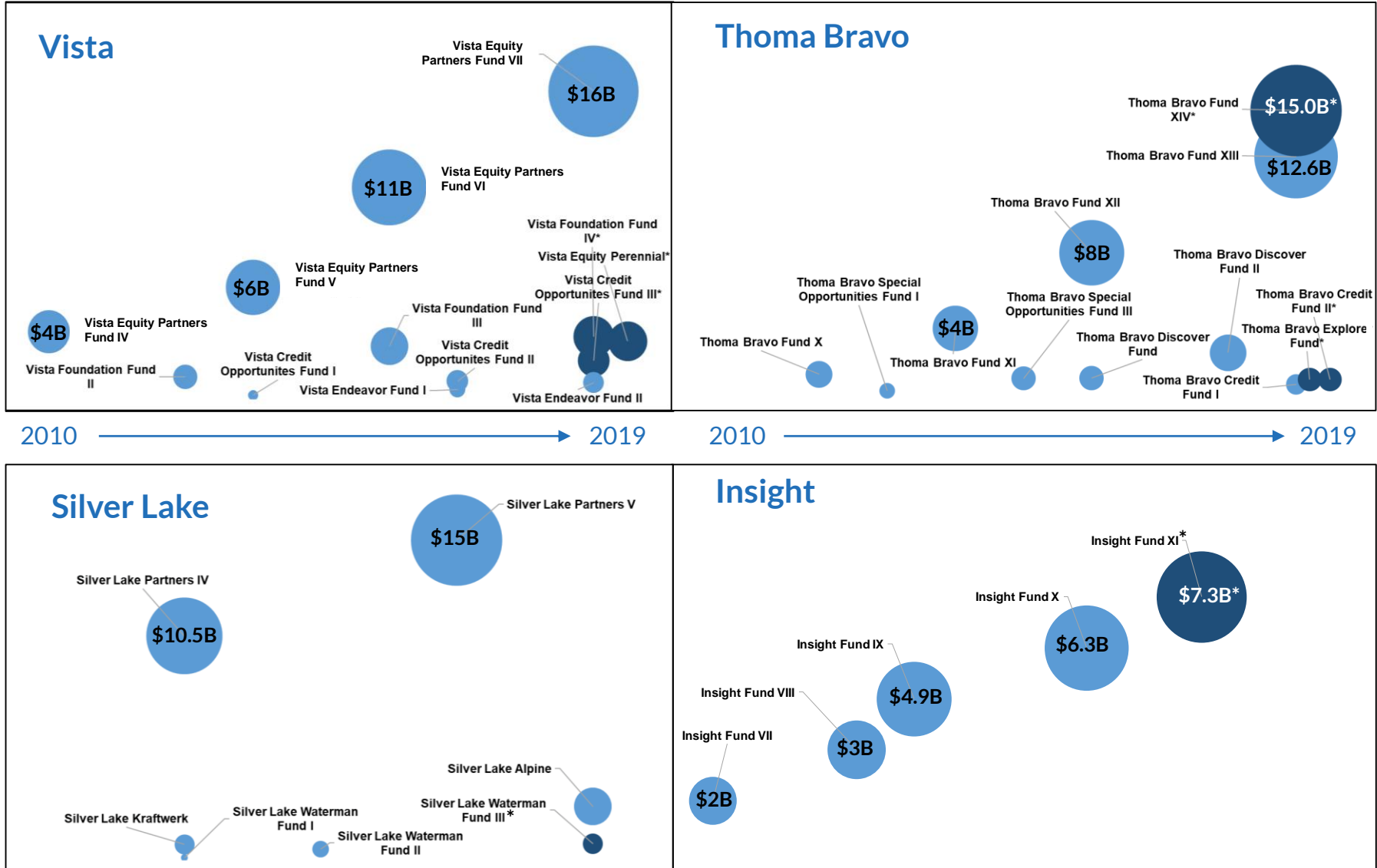
Tech PE Funds Closed and Capital Raised Since 2010

- Since 2010, the **average fund size has nearly quadrupled**, rising from just under \$0.5B to almost \$1.6B
- **Total capital raised** has also increased at a remarkable pace, **exceeding \$150B for the first time** in 2019
- The number of fund closings is getting less frequent, but capital raised is much larger



“Tech PE Funds” are defined as funds managed by Tech Focused PE Firms, plus one-off sector funds managed by diversified PE firms

New Funds Launched by Top Tech Focused PE Firms



Note: "Top Tech Focused PE Firms" are defined as those historically allocating 75%+ to the tech sector and pursuing a growth equity or buyout strategy for 50%+ of closed funds.

*Target only. Not yet closed.

Strategics Have Some Questions for Their PE Competitors

- There is a **mindset on the strategic side** that, while roll-ups into PE platforms continue at a furious pace, there will be a **shakeout down the road**
- The impression is that while **PE shops are paying monstrous multiples** and buying up everything in sight due to massive legacy funds and high deployment rates, there is **substantial execution and integration risk** of doing too much too fast
- This risk stems from:
 - › The **inability to fully monitor** and provide expertise to acquired companies
 - › Organic **growth rates of platform companies are beginning to stall**, as are commitments to those platforms from fund sponsors to roll up more
- This is going to lead to the **break-up and resale of platform companies** to corporate **strategics who better understand the underlying technology** and can nurture higher growth
- Without this shift, PE ownership may lead to deep **workforce cuts, new strategies, new management teams...**it will not be pretty
- The larger **strategic buyers** will have an opportunity to bid for these companies again, as they are **primed for acquisitions with large cash reserves**

The Evolving European PE Landscape

Europe has long boasted an extremely rich Venture Capital market focused on finding the next hyper-growth technology company with the potential to return all investor capital singlehandedly. The Venture market has been complemented by large regional and pan-European Private Equity buyout funds focused on EBITDA positive, cash-rich businesses. More recently, these major capital market players have been locking horns with a new foe in the search for technology-driven investment returns. The burgeoning market of new US-style Growth Equity funds focused on buying revenue are providing new liquidity options for founders at an earlier stage, while putting valuation pressure on the buyout funds that have historically competed for opportunities on an EBITDA basis.

The rapidly developing European Growth Equity market is the most important capital market trend to watch over the next decade. These players are filling a major funding gap that has been ever-present in Europe's capital market history, and their flexible investment mandates put them in the crosshairs of both ends of the tech capital markets. New European Growth Equity funds are popping up in all major technology markets, while long-standing US Growth Equity funds are establishing offices across Europe to address this "greenfield" opportunity that has quickly become a preferred market to the more mature and crowded US Growth Equity market.

The legacy European Growth Equity players are quickly seeing their funds being outsized by these global investment strategies that bear greater LP firepower; however, the regional funds have greater knowledge of the local markets and well-established networks, maintaining a key competitive advantage in the eyes of technology founders. It is still early days for the European Growth Equity market, but all signs point to a new major player in the technology capital markets that is here to stay and flourish, much like we have seen in the US over the past decade.

European Growth PEs

1. Atlantic Bridge Capital		11. Highland Europe		21. Palamon Capital Partners	
2. Avedon Capital		12. HPE Growth		22. Pamplona Capital	
3. Cipio Partners		13. Idinvest Partners		23. Partech Partners	
4. Connected Capital		14. Investcorp		24. Scottish Equity Partners	
5. Corten Capital		15. Keensight Capital		25. Summa Equity	
6. CVC Capital		16. Kennet Partners		26. Synova Capital	
7. Digital+ Partners		17. Livingbridge		27. Target Global	
8. EMK		18. Main Capital Partners		28. Tenzing Private Equity	
9. Farview Equity		19. Oakley Capital		29. Verdane Capital	
10. FPE Capital		20. One Peak Partners		30. Waterland	

The Evolving European PE Landscape

Large European Buyout PEs

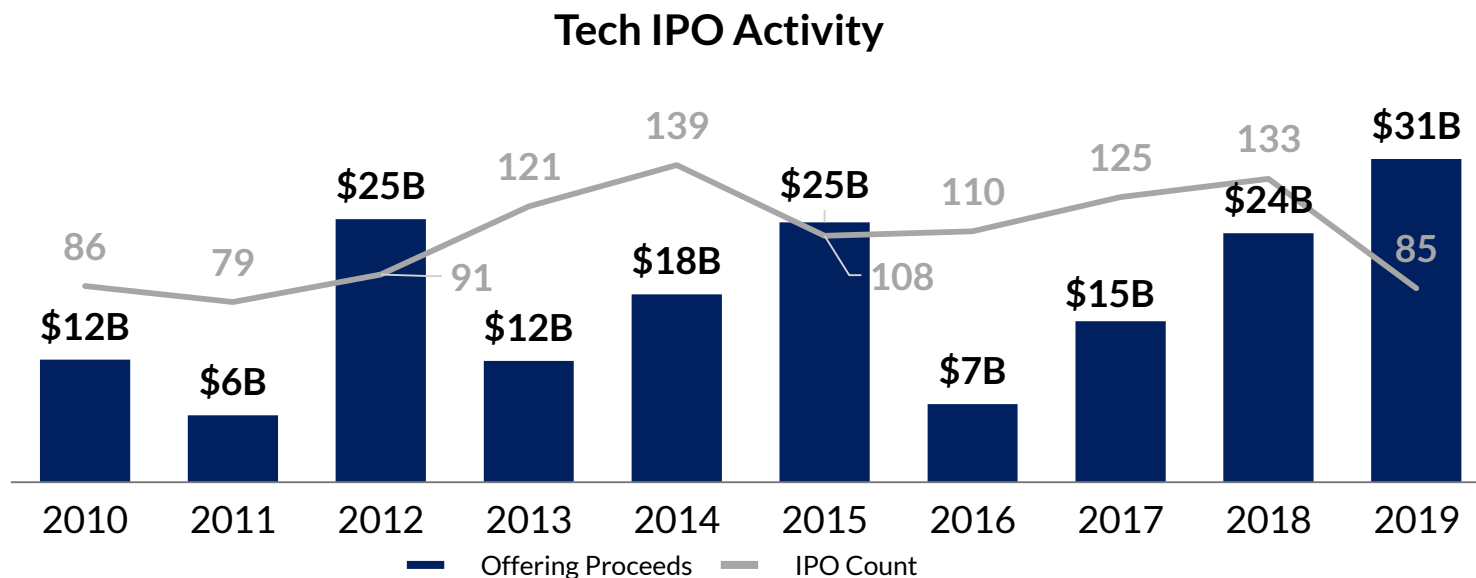
- | | |
|------------------------------|---|
| 1. 3i Group |  |
| 2. Alpinvest Partners |  |
| 3. Apax Partners |  |
| 4. Ardian |  |
| 5. BC Partners |  |
| 6. Charterhouse Capital |  |
| 7. Cinven |  |
| 8. ECI |  |
| 9. EQT |  |
| 10. Exponent Private Equity |  |
| 11. FSN Capital |  |
| 12. Hg |  |
| 13. IK Investment |  |
| 14. Inflexion Private Equity |  |
| 15. LetterOne |  |
| 16. Nordic Capital |  |
| 17. Partners Group |  |
| 18. Permira |  |
| 19. Terra Firma |  |
| 20. Vitruvian Partners |  |

Major US PEs in Europe

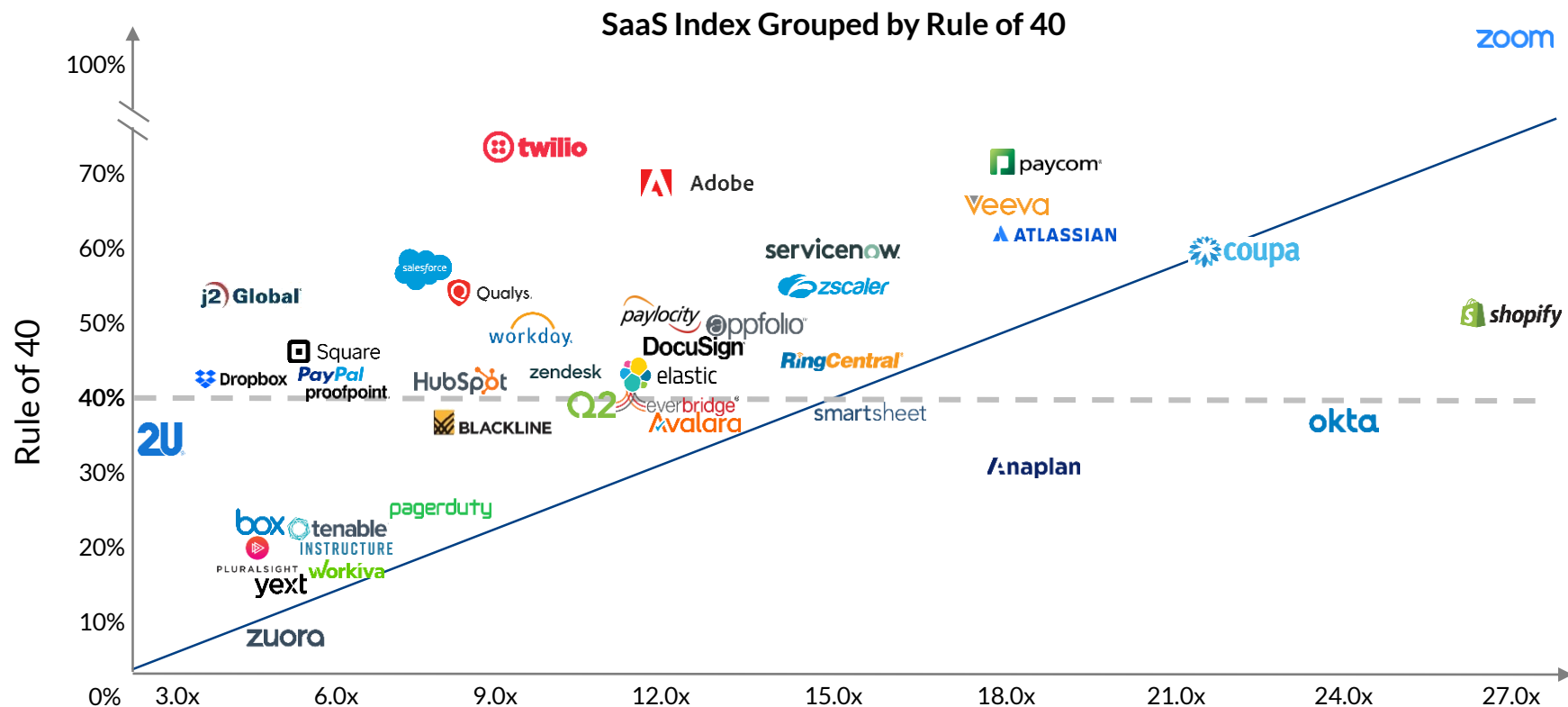
- | | |
|------------------------------|---|
| 1. ABRY |  |
| 2. Accel-KKR |  |
| 3. Apollo Global |  |
| 4. Baird Capital |  |
| 5. Battery Ventures |  |
| 6. Blackstone Private Equity |  |
| 7. Carlyle |  |
| 8. Francisco |  |
| 9. General Atlantic |  |
| 10. HarbourVest |  |
| 11. HIG Capital |  |
| 12. KKR |  |
| 13. Marlin Equity |  |
| 14. OpenGate |  |
| 15. Providence Equity |  |
| 16. Summit Partners |  |
| 17. TA Associates |  |
| 18. TCV |  |
| 19. TPG |  |
| 20. Warburg |  |

Tech IPO Offering Proceeds at an All Time High

- The tech IPO market saw **a record year in 2019 with \$31B** in total offering proceeds, up from \$12B in 2010 and slightly eclipsing the all-time high of exactly 20 years ago
- Technology remained the **second most active IPO sector** behind Healthcare/Biotech, accounting for 85 of the 471 total IPOs completed in 2019
- While the long-awaited debuts of Uber, Lyft, and Slack flopped in 2019, **fast-growing software companies** with a **clear path to profitability soared**, such as Zoom Video and Docusign
- 2018-2019 has been a robust period for technology IPOs and **would have been even stronger** were it not for **preemptive strikes by acquirers of IPO filers**, e.g. Qualtrics, Adaptive Insights and Presidio
- While there has been a notable increase in sponsor-to-sponsor recaps and secondary sales, **going public is back in favor** as a viable means of **creating liquidity for large caps** in particular



Public SaaS Index: Multiples Directly Proportional to Rule of 40



EV/ LTM Rev Multiple	Rule of 40	2019E / 2018A Rev Growth	EBITDA Margin	Gross Margin
>20x	64%	48%	16%	76%
15-20x	49%	39%	10%	78%
10-15x	48%	37%	12%	69%
6-10x	39%	26%	13%	77%
2-6x	24%	22%	2%	74%

AGCPARTNERS

2003
Founded

393
Transactions

10
*Offices
Globally*

81
*Cross-Border
Transactions*


3
*Major
Conferences*

Ben Howe – Founder and CEO of AGC Partners




- Ben founded AGC in 2003, building it into the market leading pure-play tech boutique
- In over 32 years as an investment banker, Ben has completed roughly 400 transactions
- Head of Technology Investment Banking for the East Coast and Europe at Montgomery
- Managing Director, Head of M&A and Executive Committee Member at SG Cowen Securities
- In late 80's, was an M&A banker at First Boston and Smith Barney
- In the early 80's, Ben owned and operated a 45-acre sweet corn farm in Concord, MA
- Ben holds a B.A. in Economics from Trinity College and an M.S. in Accounting from NYU
- Chairman of Excel Academy, which has four charter schools serving 1,400 students in East Boston, and served on the board of Portsmouth Abbey and the advisory board of Trinity College

Global Leader In Tech Advisory – 393 Closed Deals

 AGC is consistently ranked as the most active pure tech boutique

 Over 40 active engagements with 35 deals closed in '19

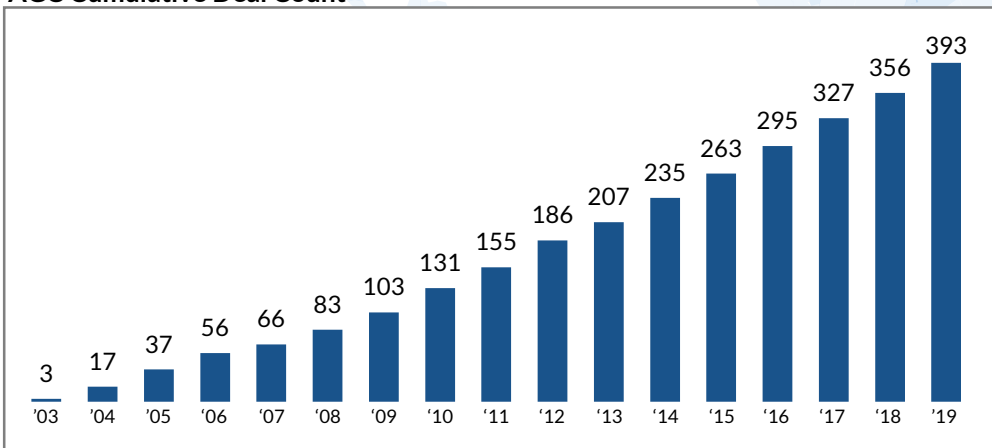
 10 offices across the US and Europe

 52 employees

 Closing in on 400 deals in our history

 '19 was a record year for revenue and profits

AGC Cumulative Deal Count



Top Tech Dealmakers of 2019

Firm	# Trans.
1. Goldman Sachs	54
2. Morgan Stanley	46
3. J.P. Morgan	40
4. William Blair	38
5. Barclays Capital	35
6. Evercore Partners	35
7. Houlihan Lokey	33
8. Raymond James	28
9. AGC Partners	27
10. GCA Advisors	27
11. BofA Merrill Lynch	24
12. Robert W. Baird	23
13. Citigroup	22
14. Credit Suisse	22
15. Stifel	21
16. RBC	19
17. Canaccord Genuity	17
18. Moelis	17
19. UBS	17
20. Piper Jaffray	15
21. Ernst & Young	11
22. GP Bullhound	10
23. Atlas Technology Group	9
24. Shea & Company	9
25. Wells Fargo	9

The AGC Difference

451 RESEARCH
SAAS RANKINGS

Criteria



Competitors

 102

Engagement

Daily Partner Execution

Partner Pitched, Switched
to Mid-Level Execution

William Blair 92

Subject Experts

Domain Experts

Tech Generalists

 72

 57

Core Contacts

Direct Senior Relationship

Institutionalized Contacts

 54
HOULIHAN LOKEY

Execution

Creative, Real-time & Proactive

Generic, Slow & Reactive

 GCA 47

 43

Who is your Client?

Shareholders and Management

Depends

Jefferies 36

Results

Premium Valuations
























Binary Results of Standard Process

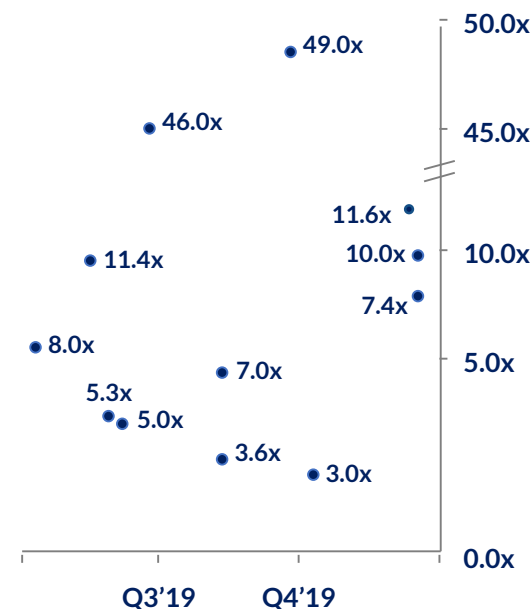
Armapartners 31

AGC's SaaS Performance Exam

	Below	Benchmark	Above
ARR Scale	<\$8M	\$8-20M	\$20M+
LTM Revenue Growth	30%	40%	50%+
Net Retention	90%	110%	120%+
Gross Retention	80%	85%	90%+
SaaS Gross Margin	<75%	75-90%	90%+
Rule of 40%	<30%	30-50%	50%+
LTV / CAC	<3x	3-5x	5x+
ACV	<\$25k	\$25k-200k	\$200k+
TAM	\$500M	\$1-2B	\$2B+
% SaaS Revenue	<70%	70-90%	90%+
Barriers to Entry	Low	Medium	High
Current ARR Multiple	2-4x	4-6x	7-15x+

AGC's Deal Momentum

Target	Acquirer	Sector	Associated Multiples
 Buildium®	 REALPAGE®	Real Estate Tech	
 AllClear ID RRP Assets	 experian.	Cybersecurity	
 distil networks	 imperva  THOMABRAVO	Cybersecurity	
 EMBOTICS®	 snow  SEI PARTNERS	Cloud Management Software	
 Geezeo®	 jack henry & ASSOCIATES INC.	FinTech	
 iFood	 amadeus®	FoodTech	
 mnubo	 aspentech	IoT Data Analytics	
 Perceptyx	 TCV	HCM	
SaaS Cloud Access Governance	Identity Governance Provider	Cybersecurity	
 SnapGene® Software for molecular biology	 GraphPad  INSIGHT PARTNERS	HCIT SaaS	
 THOUGHT INDUSTRIES®	 Luminate CAPITAL PARTNERS	EdTech	



Other 2019 Transactions

 skuid financed by  MARLIN EQUITY PARTNERS	 gengo® sold to  LIONBRIDGE	 appsee sold to  servicenow	 deepwatch financed by  ABS CAPITAL PARTNERS	 OpusCapita a wholly owned subsidiary of  postfi sold to  PROVIDENCE EQUITY	 mautic sold to  ACQUIA	 CRITERIA financed by  SEI PARTNERS	 KEYFACTOR financed by  INSIGHT PARTNERS	 PRESTO sold to  NEW ALPHA ASSET MANAGEMENT	 SWIMLANE financed by  e+ ENERGY IMPACT PARTNERS	 kapost sold to  upland	 SECUREAUTH divested  CORE SECURITY sold to  helpsystems	 Bernoulli® sold to  capsule
--	---	---	--	--	---	---	--	---	--	---	---	--

The Global Leaders in Tech Strategic Advisory



Rob Buxton
Partner
San Francisco



Eric Davis
Partner
Boston



Linda Gridley
Partner
New York



Jon Guido
COO
Founding Partner
Boston



Hugh Hoffman
Partner
Minneapolis



Ben Howe
CEO
Founding Partner
Boston



Doug Hurst
Partner
New York



Fred Joseph
Partner
Boston



Maria Lewis Kussmaul
Founding Partner
Boston



Elena Marcus
Partner
Los Angeles



Mike Parker
Partner
Chicago



Bob Renner
Partner
Atlanta



Greg Roth
Partner
San Francisco



Dennis Rourke
Partner
Boston



Charlie Schopp
Partner
Boston



Tristan Snyder
Partner
Dallas



Jim Stone
Partner
Austin



Sean Tucker
Partner
London



Russ Workman
Partner
Boston

AGC's Sell Side Engagement Docs



Launch Note



3 Statement Model



Market Map &
Sizing



10 Page
Teaser Deck



Management Deck



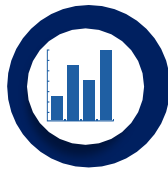
Quota Attainment



Acquisition Game Plan



Tech Deck



Q of E



MD&A



Customer Use Cases



Abstracts of Core
Contracts



MRR/ACV
Retention Analysis



Pipeline Analysis



Divisional Analysis



Win-Loss Analysis



Recap Model



Valuation

Deep Domain Knowledge Shared – Market Leading Research



Horizontal SaaS

BI / Analytics
CRM
ECM
ERP / Supply Chain
FinTech / Payments
HCIT / Life Sciences
HR Tech
IT Services
MarTech
Technical Software



Vertical SaaS

Automotive
Building / Engineering
Education
Food/Restaurant
Healthcare
Legal
Public Sector
Real Estate
Retail
Travel & Leisure



Security

Cybersecurity
Advanced Threat Defense
CASB
Endpoint
Identity Access
Management
Network
Security Orchestration
Security Services
Threat Intelligence
User Behavior Analytics
Vulnerability
IOT / SCADA



Digital Media and Internet

AdTech
Consumer
E-Commerce
Food Tech
Gaming
Internet
Mobile
Social
Virtual Reality / Augmented Reality



Infrastructure

Big Data
Cloud Computing
Communication
Data Center
Energy & Industrial Tech
Internet of Things
Mobility Solutions
Semiconductors
Smart Cities
Storage

Selected Recent Partner Authored Whitepapers



Construction Tech



CRM



Travel Tech



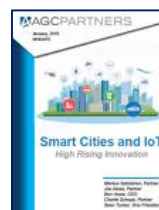
Payments



Edge Computing



HR Tech



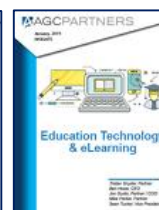
Smart Cities and IoT



Auto Tech



Supply Chain Software



EdTech

Direct Senior Relationships – PE And Strategic Acquirers

Trusted Advisor of Financial Sponsors

- High volume of successful transactions with and for financial sponsors and their portfolio companies
- Relationships developed over the long term providing AGC access and credibility with key decision-makers
- In depth insights into each financial investor's unique investment criteria, approach and behavior

Trusted Advisor of Strategic Buyers

- Strong relationships and a proven track record with the leading strategic acquirers
- Knowledge of development roadmaps + buy vs build priorities allows us to strategically position businesses to achieve optimal outcomes
- Deep sector expertise ensures unique and customized positioning for each buyer

Leading Private Equity Clients/Acquirers



Tech Giant Strategic Acquirers



Financial Partner Transactions – Unrivaled Experience

 Financed by  	 Acquired by  	 Financed by  	 Financed by  	 Financed by  	 Acquired by  	 A portfolio company of  Financed by  	 Financed by  
 A portfolio company of  Financed by  	 Financed by  	 Financed by  	 Financed by  	 Acquired by  	 A portfolio company of  Financed by  	 Acquired by  	 Acquired by  
 Acquired by  	 Financed by  	 Financed by  	 Financed by  	 Financed by  	 Financed by  	 A wholly owned Subsidiary of  Acquired by  	 Financed by  

Top Strategic Acquirers – Long Established Track Record

 <p>CASK</p> <p>Acquired by Google</p> <p>Advisor to Cask</p> <p>AGCPARTNERS</p>	 <p>A portfolio company of MERCK</p> <p>Acquired by opentext™</p> <p>Advisor to Liaison</p> <p>AGCPARTNERS</p>	 <p>A portfolio company of GENERAL CATALYST</p> <p>Acquired by Gartner</p> <p>Advisor to Sellers</p> <p>AGCPARTNERS</p>	 <p>Acquired by jack henry & ASSOCIATES INC.</p> <p>Advisor to Geezeo</p> <p>AGCPARTNERS</p>	 <p>A portfolio company of JMI EQUITY</p> <p>Acquired by NTT</p> <p>Advisor to WhiteHat</p> <p>AGCPARTNERS</p>	 <p>A portfolio company of GENERAL CATALYST</p> <p>Acquired by Guidepost</p> <p>Acquired by SAS</p> <p>Advisor to Sellers</p> <p>AGCPARTNERS</p>	 <p>Acquired by redhat</p> <p>Advisor to ManageIQ</p> <p>AGCPARTNERS</p>	 <p>Acquired by now™</p> <p>Advisor to appsee</p> <p>AGCPARTNERS</p>	 <p>Acquired by PHILIPS</p> <p>Advisor to Blue Willow Systems</p> <p>AGCPARTNERS</p>
 <p>A portfolio company of edisonpartners</p> <p>Acquired by ORACLE®</p> <p>Advisor to LOGFIRE</p> <p>AGCPARTNERS</p>	 <p>Acquired by Hewlett Packard Enterprise</p> <p>Advisor to Cloud Cruiser</p> <p>AGCPARTNERS</p>	 <p>Acquired by DELL</p> <p>Advisor to Boomi</p> <p>AGCPARTNERS</p>	 <p>A wholly owned subsidiary DHI</p> <p>Acquired by everyday HEALTH</p> <p>A wholly owned subsidiary j2 Global™</p> <p>Advisor to Sellers</p> <p>AGCPARTNERS</p>	 <p>Acquired by nielsen</p> <p>Advisor to Sellers</p> <p>AGCPARTNERS</p>	 <p>Acquired by amazon</p> <p>Advisor to Sellers</p> <p>AGCPARTNERS</p>	 <p>Acquired by VISA</p> <p>Advisor to Fundamo</p> <p>AGCPARTNERS</p>	 <p>Acquired by ORACLE®</p> <p>Advisor to Sellers</p> <p>AGCPARTNERS</p>	 <p>Acquired by CISCO</p> <p>Advisor to ExtendMedia</p> <p>AGCPARTNERS</p>
 <p>A portfolio company of BESSEMER VENTURE PARTNERS</p> <p>Acquired by FireEye</p> <p>Advisor to iSight Partners</p> <p>AGCPARTNERS</p>	 <p>Acquired by IBM</p> <p>Advisor to Bowstreet</p> <p>AGCPARTNERS</p>	 <p>Acquired by Uber</p> <p>Advisor to orderTalk</p> <p>AGCPARTNERS</p>	 <p>A portfolio company of SCALE Venture Partners</p> <p>Acquired by vmware</p> <p>Advisor to Sellers</p> <p>AGCPARTNERS</p>	 <p>Acquired by Informatica</p> <p>Advisor to Active Endpoints</p> <p>AGCPARTNERS</p>	 <p>Acquired by cloudbees</p> <p>Advisor to Codeship</p> <p>AGCPARTNERS</p>	 <p>Acquired by TIBCO®</p> <p>Advisor to Proginet</p> <p>AGCPARTNERS</p>	 <p>Acquired by IHS Markit</p> <p>Advisor to Invention Machine</p> <p>AGCPARTNERS</p>	 <p>Acquired by ebay</p> <p>Advisor to Where</p> <p>AGCPARTNERS</p>

Cross Border – 80+ Transactions Since Inception

 Acquired by  Advisor to InGenius  	 Acquired by  Advisor to Mnubo  	 Acquired by PERFORCE A portfolio company of  Advisor to Hansoft  	 A portfolio company of   Acquired by LIONBRIDGE A portfolio company of  Advisor to Sellers  	 A portfolio company of INSIGHT VENTURE PARTNERS Acquired by PLANVIEW A portfolio company of  Advisor to Sellers  	 Financed by  Advisor to Crisp  	 A wholly owned subsidiary of  Acquired by  Advisor to Origo  	 Sold to RSA A wholly owned subsidiary of  Advisor to Crisp  
 A wholly owned subsidiary of  Acquired by PROVIDENCE EQUITY Advisor to Posti  	 A portfolio company of  Financed by  Advisor to sellers  	 A wholly owned subsidiary of  Acquired by  Advisor to HCL  	 A portfolio company of IEQT Acquired Atalla A wholly owned subsidiary of  Advisor to Utimaco/EQT  	 Acquired by  Advisor to Simplygon  	 Acquired by  A wholly owned subsidiary of  Advisor to FRS  	 A portfolio company of  Acquired by imperva A portfolio company of  Advisor to sellers  	 Acquired by  Advisor to KickApps  
 Acquired by  Advisor to Viryanet  	 Acquired by  Advisor to SEGA  	 Acquired by  A portfolio company of IEQT Advisor to mpl Systems  	 Financed by  Advisor to Dapresy  	 Acquired by SONY Advisor to sellers  	Undisclosed Acquired by  Advisor to sellers  	 Acquired by  Advisor to Denyall  	 Acquired by  A wholly owned subsidiary  Advisor to OnForce  

Over 800 Private Tech Companies Participate In Our Conference Series



San Francisco	London	Boston	Total
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Attendees	1,585	414	719	2,718
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Private Companies	485	112	225	822
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Investors	343	85	190	618
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Strategics	233	26	50	309
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Total 1-on-1 Meetings	3,000	915	2,250	6,165
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Select Strategic Attendees



Select Private Equity Attendees



Long History Of Delivering Premium Results

"AGC's consistent engagement from the Partner throughout the process and creativity was the real difference for us in getting a great deal done. The experience was a night and day difference from the larger Banks."

Bob Renner – CEO, Founder, Liaison Technologies

