

Market Update

Marketing Technology & Services

Q2 2017

Key Highlights

- **Lincoln Update:** Closed on the sale of LeadingResponse in May 2017, with a strong pipeline of Marketing Technology & Services engagements
- **Measures that Matter:** Key Trends to Follow in Data-Driven Marketing
- **Subsector Highlight:** Traditional Marketing Communications
- **Key Transaction:** Red Ventures has agreed to acquire Bankrate, Inc. for \$1.4 billion

Lincoln International's Marketing Technology & Services Coverage

Lincoln International recognizes the importance of understanding a client's industry, value drivers, growth opportunities and challenges. Our extensive marketing technology and services expertise provides in-depth market insights, deep relationships with the most active strategic and financial partners and superior knowledge on how to best position a business and overcome potential issues. These attributes, combined with our globally integrated resources and flawless execution, enable us to consistently deliver outstanding outcomes for our clients.

Lincoln International's dedicated Marketing Technology & Services coverage team has

established itself among the most active M&A advisors in the mid-market. Our senior bankers provide sector-specific expertise, global buyer access and unmatched execution within the marketing technology and services space, particularly in our key areas of focus below:

- Commerce Enablement
- Data-driven Marketing Services
- Digital Marketing Services
- Marketing Technology
- Analytics

Lincoln News

HURON CAPITAL PARTNERS
has sold
LeadingResponse
to
ICV

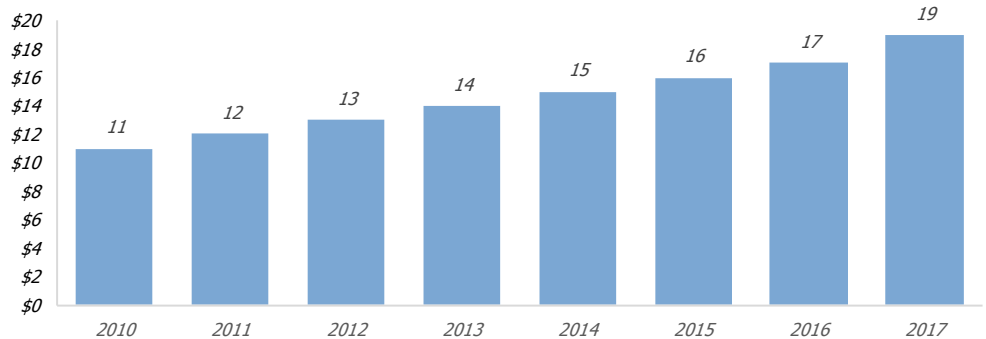
Lake Pacific PARTNERS
has sold
GLASSON
to
WICKS

academicworks
has been sold to
blackbaud

Measures that Matter: Growing Investment in Business Intelligence

U.S. Spend on Business Intelligence & Data Analytics Tools

(\$ in billions)



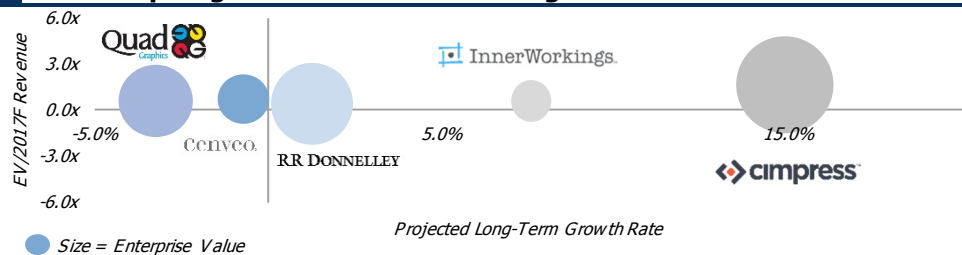
Sources: Gartner, Centric Digital

Analytics and BI are Driving Business Forward

Investment in data analytics and business intelligence technology continues to be one of the top priorities for large enterprise as a key component of their digital business transformation. Since 2010, spend on business intelligence solutions has grown over 75% and today, represents a nearly \$20 billion category. Technology across the data analytics and business intelligence spectrum is rapidly evolving, becoming easier to use, nimbler and more 'turnkey' for end users. This evolution has created improved access and self-service, allowing for the expansion of historically complex tools into the small to mid-sized business (SMB) market and providing for

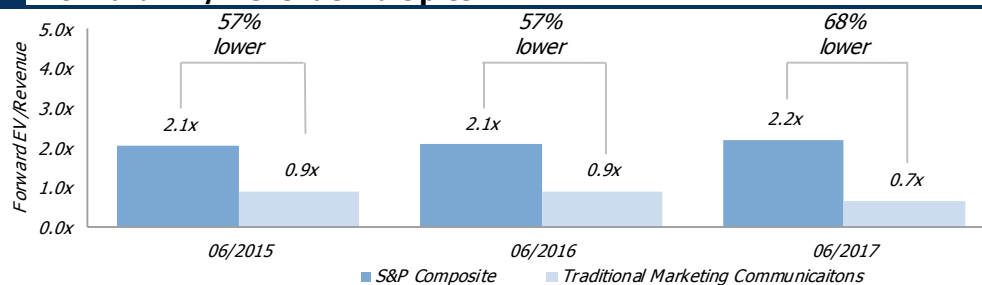
increased automation of the key functionality driving advanced analytics. However, preparing and cleansing data for analysis, analyzing data with varying attributes, building advanced analytics models, interpreting results and implementing change are still largely manual processes and require support. Investors in the marketing technology sector should be aware that managed services remain a large part of the ecosystem, help strengthen client relationships and will become even more important with the growing depth and complexity of the technology stack surrounding data analytics and business intelligence.

Sector Spotlight: Traditional Marketing Communications



Notes: Revenue forecasts based on analyst consensus estimates

Forward EV / Revenue Multiples



Note: Revenue forecasts based on analyst consensus estimates

Lincoln International Marketing Technology & Services Index

Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YoY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
Marketing Agencies										
Dentsu, Inc.	\$ 47.80	82.0%	\$13,476	\$ 11,887	\$ 7,790	\$ 1,601	(0.6%)	20.5%	1.5x	7.4x
Hakuhodo DY Holdings, Inc.	13.27	97.3%	4,946	3,882	11,260	490	(5.8%)	4.3%	0.3x	7.9x
Havas SA	10.50	98.2%	4,443	4,291	2,403	386	(3.5%)	16.1%	1.8x	11.1x
ICF International, Inc.	47.10	79.1%	885	1,153	1,198	113	3.4%	9.4%	1.0x	10.2x
MDC Partners, Inc.	9.90	53.1%	564	1,645	1,421	149	6.6%	10.5%	1.2x	11.0x
Omnicom Group, Inc.	82.90	92.5%	19,294	22,524	15,505	2,318	1.7%	15.0%	1.5x	9.7x
Publicis Groupe SA	74.51	93.9%	16,589	18,092	10,274	1,809	(5.7%)	17.6%	1.8x	10.0x
The Interpublic Group of Companies, Inc.	24.60	97.1%	9,720	11,133	7,859	1,108	1.8%	14.1%	1.4x	10.0x
WPP plc	20.96	83.7%	26,679	32,619	17,766	3,131	3.3%	17.6%	1.8x	10.4x
Mean		86.3%					0.1%	13.9%	1.4x	9.8x
Digital Marketing										
Alibaba Group Holding Limited	\$140.90	95.0%	\$356,387	\$353,956	\$ 22,987	\$9,164	35.2%	39.9%	15.4x	NM
Alphabet, Inc.	929.68	92.2%	635,840	547,338	94,765	31,208	15.9%	32.9%	5.8x	17.5x
Bankrate, Inc.	12.85	99.2%	1,150	1,263	459	96	19.3%	20.9%	2.8x	13.2x
Facebook, Inc.	150.98	96.5%	437,567	405,261	30,288	16,355	36.7%	54.0%	13.4x	24.8x
LendingTree, Inc.	172.20	93.6%	2,057	1,951	422	63	25.2%	14.9%	4.6x	31.0x
QuinStreet, Inc.	4.17	90.1%	190	148	297	(3)	(0.1%)	(1.0%)	0.5x	NM
Twitter, Inc.	17.87	70.8%	12,969	10,744	2,483	85	0.3%	3.4%	4.3x	NM
Mean		91.0%					18.9%	23.6%	6.7x	21.6x
Marketing Technology										
Adobe Systems, Inc.	\$ 141.44	95.9%	\$ 69,787	\$ 66,744	\$ 6,526	\$ 2,141	23.0%	32.8%	10.2x	31.2x
Bazaarvoice, Inc.	4.95	80.7%	417	358	201	(5)	0.7%	(2.4%)	1.8x	NM
Criteo SA	49.05	87.6%	3,176	2,972	1,915	179	24.5%	9.3%	1.6x	16.6x
Marin Software, Inc.	1.30	46.1%	51	21	93	(9)	(14.1%)	(9.2%)	0.2x	NM
Rocket Fuel, Inc.	2.75	46.6%	128	151	447	(10)	(2.7%)	(2.3%)	0.3x	NM
salesforce.com, inc.	86.60	94.1%	61,602	60,918	8,863	449	25.3%	5.1%	6.9x	NM
Tremor Video, Inc.	2.49	90.2%	125	98	174	(8)	5.2%	(4.5%)	0.6x	NM
YuMe, Inc.	4.70	80.3%	161	101	158	4	(8.7%)	2.2%	0.6x	28.8x
Mean		77.7%					6.7%	3.9%	2.8x	25.5x
Traditional Marketing Communications										
Cenveo, Inc.	\$6.09	58.0%	\$ 52	\$1,083	\$1,602	\$133	(8.2%)	8.3%	0.7x	8.2x
Cimpress N.V.	94.53	90.7%	2,944	3,996	2,050	173	14.7%	8.4%	1.9x	23.1x
InnerWorkings, Inc.	11.60	97.2%	616	700	1,087	45	1.1%	4.1%	0.6x	15.6x
Quad/Graphics, Inc.	22.92	77.7%	1,192	2,288	4,286	482	(6.9%)	11.2%	0.5x	4.8x
R.R. Donnelley & Sons Company	12.54	21.1%	878	2,774	6,926	418	19.0%	6.0%	0.4x	6.6x
Mean		68.9%					3.9%	7.6%	0.8x	11.7x
Data-Driven Marketing Services										
Axiom Corporation	\$ 25.98	85.5%	\$ 2,055	\$ 2,113	\$ 880	\$ 85	1.4%	9.6%	2.4x	24.9x
Aimia, Inc.	1.33	18.2%	203	309	1,683	97	(7.4%)	5.7%	0.2x	3.2x
Alliance Data Systems Corporation	256.69	96.4%	14,291	33,095	7,341	1,453	8.5%	19.8%	4.5x	22.8x
comScore, Inc.	26.25	75.3%	1,504	1,390	369	37	0.0%	10.1%	3.8x	NM
Experian plc	20.46	92.2%	18,928	22,270	4,335	1,516	(5.3%)	35.0%	5.1x	14.7x
Harte-Hanks, Inc.	1.03	52.6%	63	17	404	(5)	(14.6%)	(1.2%)	0.0x	NM
Nielsen Holdings plc	38.66	69.1%	13,813	21,974	6,348	1,627	1.8%	25.6%	3.5x	13.5x
Mean		69.9%					(2.2%)	15.0%	2.8x	15.8x

Sources: Bloomberg, Capital IQ and company filings, as of 6/30/2017

5/8/17: Sinclair Group, Inc. (NasdaqGS:SBGI), a U.S. television broadcast company, has agreed to acquire **Tribune Media Company (NYSE:TRCO)**, a U.S. media and entertainment company that owns and operates 42 television stations in 33 markets, for \$3.9B.

Red Ventures has agreed to acquire **Bankrate, Inc.** for \$1.4B

Market Intelligence

6/30/17: Ansira Partners, a digital marketing agency based in St. Louis, MO and backed by **Advent International**, is pursuing an acquisition strategy to roll up the fragmented marketing services industry targeting companies with \$3M to \$10M in EBITDA. The company was acquired by Advent International from KRG Capital Partners in November 2016.

5/30/17: Xactly Corporation, a leading provider of cloud-based incentive solutions based in San Jose, CA, announced that it has entered into a definitive agreement to be acquired by **Vista Equity Partners** for \$564M.

5/16/17: Symphony Communication, secure cloud messaging platform powered by an open app ecosystem, has raised \$63M in new capital at a valuation reported north of \$1B. Symphony has primarily targeted the financial services sector to date given its need for more secure communication frameworks.

4/18/17: Dentsu Inc. announces that its global headquarters, **Dentsu Aegis Network Ltd.**, will acquire an 89% stake in the **SVG Media Group**, one of India's largest independent digital performance and media services corporate groups. The addition of **SVG Media** will further strengthen **Dentsu Aegis Network's** relationship with Google as the largest search partner in India.

Select Q2 M&A Activity

Q2 Spotlight Transaction

Red Ventures, a leading platform for connecting financial services, home services and healthcare businesses to consumers, has agreed to acquire Bankrate, Inc., a leading online publisher, aggregator and distributor of personal finance content, for \$1.4 billion in an all-cash transaction.

Bankrate is a leading consumer financial services company with online brands across personal finance categories, including credit cards, banking and senior care.

With the transaction, Red Ventures is creating a scaled and diversified digital platform for the consumer marketplace. Red Ventures plans to

leverage its advanced analytics, data science and integrated technology to cultivate digital connections between brands and consumers across the further diversified services of the combined platform.

Bankrate's comprehensive platform and millions of users across multiple brands will deepen Red Ventures' footprint in the financial services industry. The joint company will enhance relationships between financial services providers and consumers looking for trusted, authoritative information when making decisions about their personal finances and senior care.

Select M&A Transactions

(\$ in millions)

Closed	Target	Target Description	Acquirer
Announced	Bankrate, Inc.	Provides cloud-based incentive compensation sales management solutions	Red Ventures Holdco, LP
Announced	Xactly Corp.	Provides social media management solutions	Vista Equity Partners, LLC
Announced	Lithium Technologies, Inc.	Operates commerce platforms connecting buyers and sellers	Vista Equity Partners, LLC
Announced	Angie's List, Inc.	Provides local consumer review services	HomeAdvisor, Inc.
Announced	eBay India Pvt. Ltd.	Develops a sales communications software platform	Flipkart Online Services Pvt. Ltd.
Announced	TeleSign Corp.	Provides digital media network solutions	Belgacom International Carrier Services SA
Announced	Sajan, Inc.	Provides digital intelligence and digital transformation consulting services	AMPLEXOR
Announced	SVG Media Group	Provides digital performance and media services	Dentsu Aegis Network Ltd.
Jun-17	Market Track, LLC	Provides cloud-based retail price and product intelligence solutions	Vista Equity Partners, LLC
Jun-17	The Cocktail	Provides digital transformation services	WPP Plc
May-17	RetailMeNot, Inc.	Provides language translation services and technology solutions to companies	Harland Clarke Holdings Corp.
May-17	Tribune Media Company	Provides media and entertainment platforms	Sinclair Group, Inc.
May-17	Sorento	Provides health and wellness communication advertising services	Havas Group
Apr-17	ToutApp, Inc.	Develops ticketing and customer relationship management software	Marketo, Inc.
Apr-17	TopTix Ltd.	Provides phone-based verification, authentication and notification services	SeatGeek, Inc.
Apr-17	Smile Vun Group Pvt.	Provides subscription-based advertising, brand and pricing intelligence solutions	Dentsu Aegis Network Ltd.
Apr-17	360pi Corporation	Operates as a savings destination for online and in-store purchases	Market Track, LLC
Apr-17	Divisadero Digital Intelligence, S.L.	Provides services to develop, target and deliver marketing offers to consumers	Merkle, Inc.
Apr-17	Deeplocal, Inc.	Provides marketing campaign designs and engineering	WPP Plc

Source: Capital IQ, Mergermarket, Company Filings as of 6/30/2017

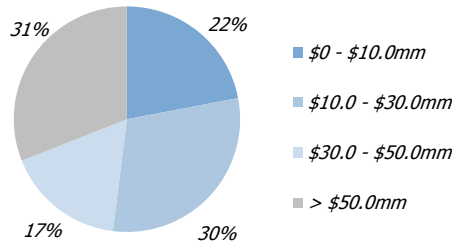
The Lincoln VOG Database – Lincoln’s Perspectives on the Mid-Market

About the Lincoln VOG Database:

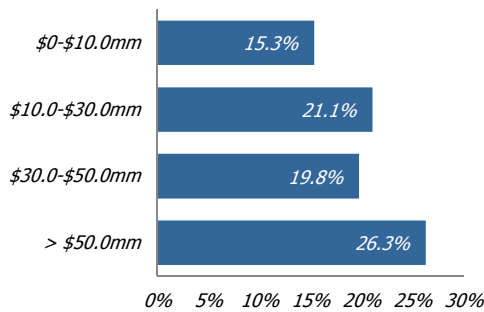
Lincoln maintains an extensive proprietary database in connection with its quarterly portfolio valuation activities by the Valuations and Opinions Group, containing financial data for a diverse group of companies across ten primary industry segments. The database offers a glimpse into the mid-market where reliable data is otherwise limited. Valuation metrics reflect observed transaction multiples. Financial results reflect information available at the end of each calendar quarter (typically, financial statements for one or two months preceding the end of the period). The database contains nearly 800 mid-market companies.

Trends by Size (LTM EBITDA)

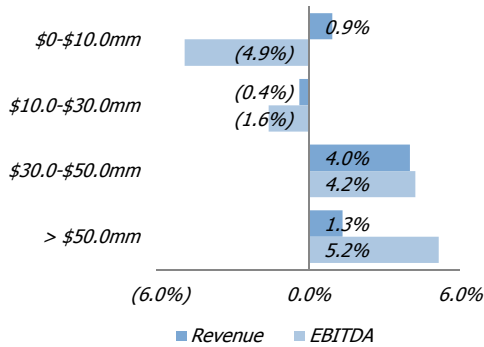
Distribution by Size



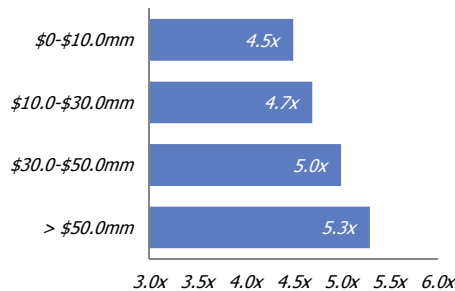
Average LTM EBITDA Margin by Size



Quarter over Prior Year Quarter Revenue and EBITDA by Size

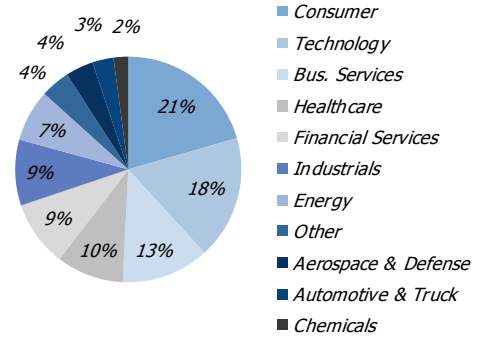


Average Current Leverage by Size

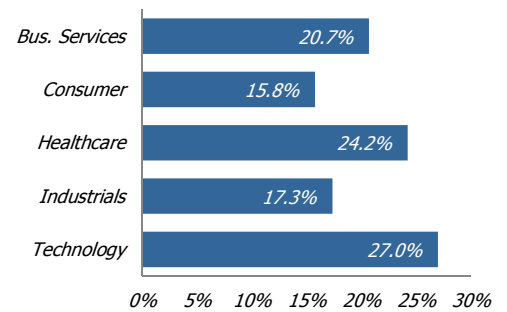


Trends by Industry Vertical

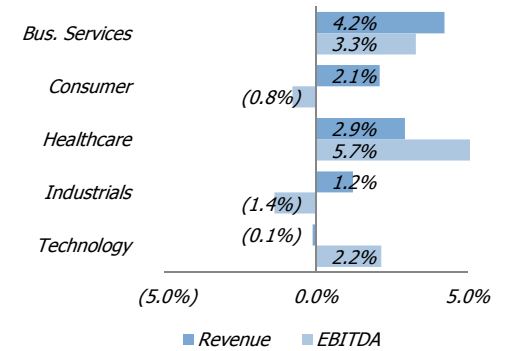
Distribution by Vertical



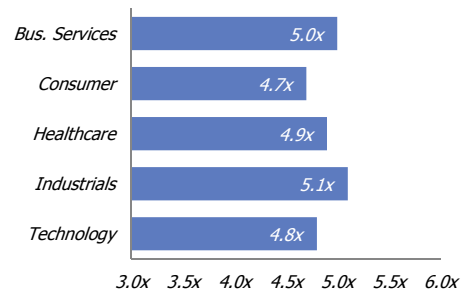
Average LTM EBITDA Margin by Vertical



Quarter over Prior Year Quarter Revenue and EBITDA by Vertical



Average Current Leverage by Vertical



Global Industry Groups

Aerospace & Defense
Automotive & Truck
Building & Infrastructure
Business Services
Chemicals
Consumer
Distribution
Electronics
Energy & Power
Financial Institutions
Food & Beverage
Healthcare
Industrials
Packaging
Technology, Media & Telecom

Global Locations

Amsterdam
Beijing
Chicago
Dallas
Frankfurt
London
Los Angeles
Madrid
Milan
Moscow
Mumbai
Munich
New York
Paris
São Paulo
Tokyo
Vienna
Zurich

Advisory Services

Mergers & Acquisitions
Debt Advisory
Special Situations
JV & Partnering
Valuations & Opinions

About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and joint venture and partnering advisory services on a wide range of transaction sizes. With eighteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at www.lincolninternational.com.

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