

Market Update

Marketing Technology & Services

Q4 2016

Key Highlights

- **Lincoln Update:**
Closed on the sale of Ansira, Inc. in December 2016, with strong momentum heading into 2017
- **Measures that Matter:**
Increasing Spend on Enterprise Marketing Software
- **Subsector Highlight:**
Marketing Technology year-over-year forward multiples trending upward
- **Key Transaction:**
Adobe Systems Incorporated (NASDAQGS:ADBE) has acquired TubeMogul, Inc.

Lincoln International's Marketing Technology & Services Group

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 group 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

December 2016:

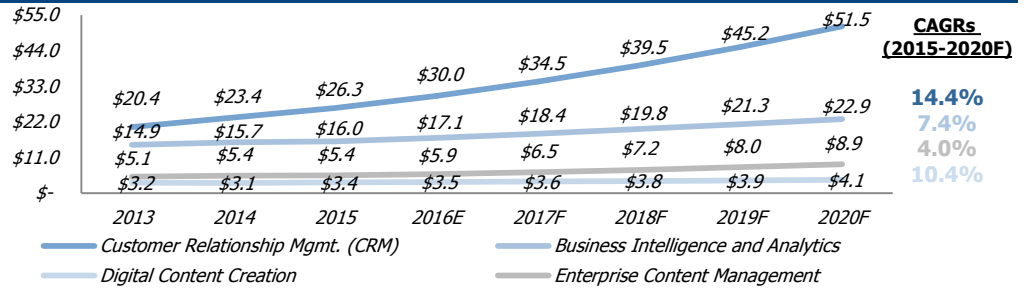
Lincoln International advised **KRG Capital Partners** on its sale of **Ansira, Inc.**, a premier data-driven, technology-enabled marketing solutions provider which integrates data analytics, CRM, localized marketing automation and performance media with best-in-class execution strategies, to **Advent International Corporation**.

November 2016:

Lincoln International advised **Rosewood Private Investments** in its sale of **File & ServeXpress**, a provider of e-Service, E-Filing and online document repository services to legal professionals, to **Strait Lane Capital Partners**.

Measures that Matter: Enterprise Marketing Software

Enterprise Application Software Spend (\$ in billions)



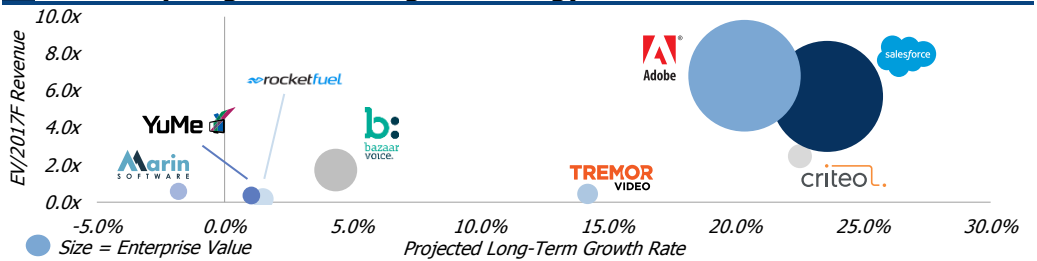
Enterprise Marketing Software Continues to Evolve, Growing in Popularity to Enhance Targeting and Conversion

Enterprise software spend increased to over \$360 billion globally in 2016, representing 7% growth over 2015. Marketing software categories such as customer relationship management (CRM), content management and business intelligence and analytics were amongst the largest drivers of growth at nearly 11% year-over-year. Specifically, CRM software has seen an ongoing shift to cloud services with on-premises new license spending declining for the first time in 2016. Marketing software saturation remains low among small businesses, which are still in the early stages of adoption and will fuel continued growth in the sector. The use of

marketing software is evolving, with an increased focus on big data, predictive analytics and social media marketing. Personalization has become critical, even for small business, through the use of multi-source data to optimize marketing campaigns so that they reach only relevant customers in a highly contextual manner. Using enterprise marketing software for targeting allows for greater customer centricity, which improves brand engagement, customer conversion and ultimately, ROI. We expect these trends will continue and that marketing software will remain core to global enterprise software growth.

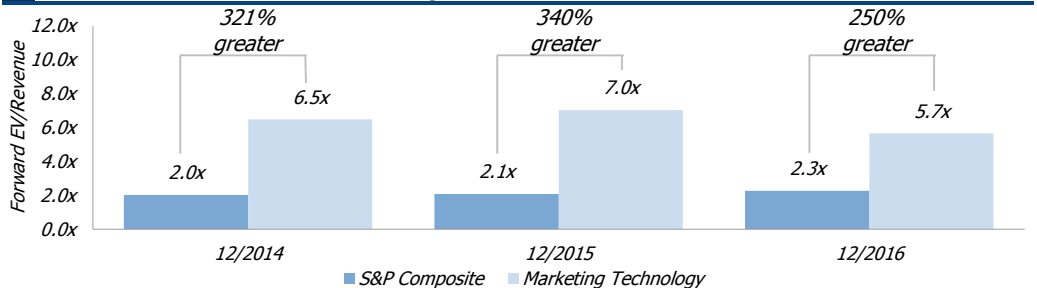
Sources: Gartner

Sector Spotlight: Marketing Technology



Notes: Revenue forecasts based on analyst consensus estimates; Bazaarvoice, Criteo, Marin Software, Rocket Fuel, Tremor Video and YuMe bubbles sized up for display purposed

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.	\$47.11	82.6%	\$13,433	\$15,558	\$7,837	\$1,652	164.5%	21.1%	2.0x	9.4x
Hakuhodo DY Holdings, Inc.	12.33	99.7%	4,596	3,698	12,260	528	31.8%	4.3%	0.3x	7.0x
Havas SA	8.45	99.4%	3,544	3,652	2,489	398	10.0%	16.0%	1.5x	9.2x
ICF International, Inc.	55.20	92.7%	1,046	1,318	1,176	110	6.6%	9.3%	1.1x	12.0x
MDC Partners, Inc.	85.11	94.9%	20,076	23,861	15,328	2,275	0.7%	14.8%	1.6x	10.5x
Omnicom Group, Inc.	69.20	94.3%	15,557	18,236	10,897	1,970	15.9%	18.1%	1.7x	9.3x
Publicis Groupe SA	23.41	94.3%	9,294	10,421	7,778	1,067	2.3%	13.7%	1.3x	9.8x
The Interpublic Group of Companies, Inc.	22.42	96.9%	28,719	34,531	17,193	2,545	(8.1%)	14.8%	2.0x	13.6x
WPP plc	\$47.11	82.6%	\$13,433	\$15,558	\$7,837	\$1,652	164.5%	21.1%	2.0x	9.4x
Mean		94.3%					28.0%	14.0%	1.4x	10.1x
Digital Marketing										
Alibaba Group Holding Limited	\$87.81	79.9%	\$219,525	\$222,506	\$18,769	\$6,547	44.2%	34.9%	11.9x	34.0x
Alphabet, Inc.	792.45	94.5%	539,070	459,952	85,537	28,294	22.9%	33.1%	5.4x	16.3x
Bankrate, Inc.	11.05	84.2%	996	1,155	413	93	57.5%	22.5%	2.8x	12.4x
Facebook, Inc.	115.05	84.8%	331,594	305,454	24,670	12,863	68.5%	52.1%	12.4x	23.7x
LendingTree, Inc.	101.35	90.5%	1,195	1,018	362	49	89.2%	13.6%	2.8x	20.7x
QuinStreet, Inc.	3.76	86.4%	172	133	299	(6)	5.9%	(2.0%)	0.4x	NM
Twitter, Inc.	16.30	62.2%	11,563	9,553	2,523	42	41.8%	1.7%	3.8x	NM
Yahoo! Inc.	38.67	86.1%	36,896	31,611	4,973	90	2.1%	1.8%	6.4x	NM
Mean		83.6%					41.5%	19.7%	5.7x	21.4x
Marketing Technology										
Adobe Systems, Inc.	\$102.95	92.7%	\$51,190	\$48,330	\$5,854	\$1,825	28.3%	31.2%	8.3x	26.5x
Bazaarvoice, Inc.	4.85	79.1%	402	353	201	(8)	3.8%	(4.1%)	1.7x	NM
Criteo SA	41.08	85.9%	2,619	2,231	1,629	152	32.7%	9.3%	1.4x	14.7x
Marin Software, Inc.	2.35	64.9%	91	57	106	(4)	0.1%	(4.1%)	0.5x	NM
Rocket Fuel, Inc.	1.71	41.7%	78	87	457	(9)	(2.0%)	(2.0%)	0.2x	NM
salesforce.com, inc.	68.46	81.0%	46,491	47,806	7,907	534	32.4%	6.8%	6.0x	NM
Tremor Video, Inc.	2.49	90.2%	129	82	165	(8)	2.1%	(5.0%)	0.5x	NM
YuMe, Inc.	3.58	82.1%	123	60	169	(3)	(6.6%)	(1.9%)	0.4x	NM
Mean		77.2%					11.3%	3.8%	2.4x	20.6x
Traditional Marketing Communications										
Cenveo, Inc.	\$6.99	66.6%	\$60	\$1,099	\$1,722	\$143	0.3%	8.3%	0.6x	7.7x
Cimpress N.V.	91.61	87.9%	2,899	3,735	1,856	212	24.2%	11.4%	2.0x	17.6x
InnerWorkings, Inc.	9.85	97.7%	530	643	1,091	42	9.9%	3.8%	0.6x	15.3x
Quad/Graphics, Inc.	26.88	91.1%	1,372	2,540	4,525	494	(5.9%)	10.9%	0.6x	5.1x
R.R. Donnelley & Sons Company	16.32	27.4%	1,139	4,632	11,088	1,026	(3.8%)	9.3%	0.4x	4.5x
Mean		74.2%					4.9%	8.8%	0.8x	10.1x
Data-Driven Marketing Services										
Acxiom Corporation	\$26.80	96.8%	\$2,080	\$2,079	\$878	\$87	7.7%	9.9%	2.4x	24.0x
Aimia, Inc.	6.61	88.8%	1,007	1,153	1,778	90	(11.3%)	5.1%	0.6x	12.8x
Alliance Data Systems Corporation	228.50	82.8%	13,198	31,037	7,059	1,671	19.5%	23.7%	4.4x	18.6x
comScore, Inc.	31.58	72.5%	1,806	1,692	369	37	5.1%	10.1%	4.6x	NM
Experian plc	19.43	98.0%	18,106	21,117	4,607	1,401	(2.4%)	30.4%	4.6x	15.1x
Harte-Hanks, Inc.	1.51	40.5%	93	147	462	13	(7.4%)	2.8%	0.3x	11.5x
Nielsen Holdings plc	41.95	75.0%	14,994	22,706	6,277	1,559	0.9%	24.8%	3.6x	14.6x
Mean		79.2%					1.7%	15.2%	2.9x	16.1x

Sources: Bloomberg, Capital IQ and company filings, as of 12/31/2016

11/18/16: Yannick Bollere, CEO of French advertising group **Havas SA (ENXTPA:HAV)**, sees logic in a merger with French media conglomerate **Vivendi (ENXTPA:VIV)**. Bollere stated that a potential combination could 'make sense' though no formal talks were being held.

Market Intelligence

12/20/16: **Tribune Media Company (NYSE:TRCO)** has sold its Digital and Data business operations, comprising Gracenote video, music and sports, to the Nielsen Company (NYSE:NLSN) for \$560 million. Tribune Media is looking to streamline its focus to its local television and entertainment business, per President and CEO Peter Liguori.

12/12/16: **Cimpress N.V. (NASDAQ:CMPR)**, the world leader in mass customization, has acquired National Pen Co. LLC, the manufacturer and marketer of custom writing instruments for small and mid-sized businesses, for \$218 million. The acquisition complements Cimpress' organic investments in promotional products, apparel and gifts (PPAG) offerings.

11/30/16: **Clearlake Capital**-backed **Syncsort**, a provider of Big Iron to Big Data solutions, has acquired **Harte Hanks'** subsidiary **Trillium Software**, the enterprise data quality solutions provider, for \$112 million. The sale provides Harte Hanks with a stronger balance sheet as it moves towards revenue stability and historically strong cash flows.

11/26/16: **Stripe**, the payments software group, has secured \$150 million of new capital, valuing the company at \$9.2 billion. **Capital G**, the investment firm owned by **Alphabet (NASDAQ:GOOGL)**, is co-leading the funding round.

Adobe Systems Incorporated (NASDAQGS:ADBE) has acquired **TubeMogul, Inc.** for \$542 million.

Select Q4 M&A Activity

Q4 Spotlight Transaction

TubeMogul, the Emeryville, California-based video advertising marketing platform specializing in digital branding, has been purchased by Adobe Systems Incorporated, a diversified software company. The acquisition complements Adobe's recent strategy to build its ad tech stack as part of its Media Optimizer product. TubeMogul will sit within Adobe's Marketing Cloud business.

Brad Rencher, Adobe executive vice president and general manager of its digital marketing division, said in a statement: "Video consumption is exploding across every device and brands are following those eyeballs... [with] TubeMogul, Adobe will give customers a 'one-stop shop' for video advertising, providing even more strategic value for our Adobe Marketing Cloud customers."

Select M&A Transactions

(\$ in millions)

Closed	Target	Target Description	Acquirer
Announced	Gracenote, Inc.	Provides music and video content and technologies	Nielsen Holding & Finance B.V.
Announced	Classes USA, Inc.	Provides an online higher education portal	Rock Holdings, Inc.
Announced	LowerMyBills, Inc.	Provides a free online service for monthly bill research	Rock Holdings, Inc.
Announced	Collective Bias, Inc.	Provides social media and shopper marketing services	Carolina Promotions Services, Inc.
Announced	LivingSocial, Inc.	Operates an online local marketplace	Groupon, Inc.
Jan-17	Mogo Marketing + Media, Inc.	Offers integrated digital marketing services	Learfield Communications, Inc.
Jan-17	DestiMetrics, LLC	Operates an online travel data platform	Sterling Valley Systems, Inc.
Jan-17	Commerce Sciences, Ltd.	Operates a content discovery platform	Taboola, Inc.
Dec-16	Trillium Software, Inc.	Provides enterprise data quality solutions	Syncsort, Inc.
Dec-16	Smaato, Inc.	Provides a real-time advertising platform	Spearhead Integrated Marketing Communication Group
Dec-16	Ansira, Inc.	Provides data-driven, technology-enabled marketing solutions	Advent International Corporation
Dec-16	TubeMogul, Inc.	Operates a digital marketing and communications platform	Adobe Systems, Inc.
Dec-16	Fractal Ink Design Studio Private, Ltd.	Develops mobile and desktop applications	Dentsu Aegis Network, Ltd.
Dec-16	Twin Prime, Inc.	Develops technology that speeds up data transfer	salesforce.com, inc.
Dec-16	Eperium Business Solutions B.V.	Develops omni-channel e-commerce solutions	Salmon, Ltd.
Dec-16	Code Computerlove, Ltd.	Operates a digital marketing and communications agency	MediaCom Worldwide, LLC
Dec-16	National Pen Co., LLC	Provides custom writing instruments	Cimpress N.V.
Dec-16	Promotion Execution Partners, LLC	Provides project management and procurement services for marketing campaigns	WPP plc
Dec-16	SG360	Offers multi-channel marketing integration solutions	ICV Partners, LLC
Dec-16	Everyday Health, Inc.	Operates a digital marketing and communications platform	Ziff Davis, LLC
Dec-16	Purchasing Power, LLC	Operates as a specialty electronic retailer	Flexpoint Ford, LLC
Dec-16	Yes, Inc.	Develops mobile applications	Twitter, Inc.
Nov-16	Qwiklabs, Inc.	Operates a cloud platform laboratory	Alphabet, Inc.
Nov-16	Triad Digital Media, LLC	Operates digital retail media programs	Xaxis, LLC
Nov-16	Axis41, Inc.	Operates as a strategic digital agency focused on customer experience	Merkle, Inc.
Oct-16	ThinkVine Corporation	Provides marketing technology platform for forecasting and optimization	Ignite Marketing Analytics

Source: Capital IQ, Mergermarket, Company Filings as of 12/31/2016

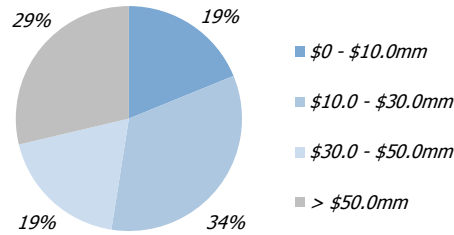
The Lincoln VOG Database – Lincoln’s Perspectives on the Mid-Market

About The Lincoln VOG Database:

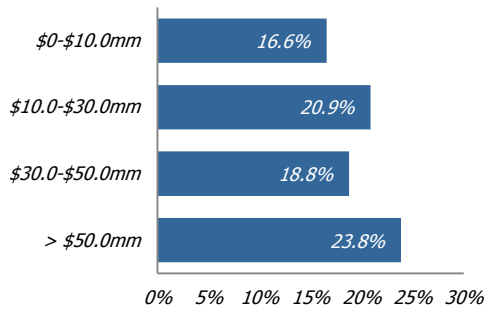
Lincoln maintains an extensive proprietary database in connection with its quarterly portfolio valuation activities by the Valuations and Opinions Group, containing financial data for a diverse group of companies across ten primary industry segments. The database offers a glimpse into the mid-market 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)

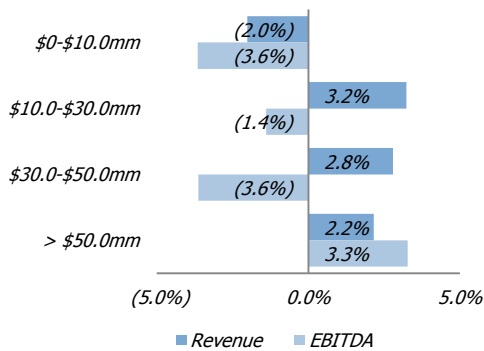
Distribution by Size



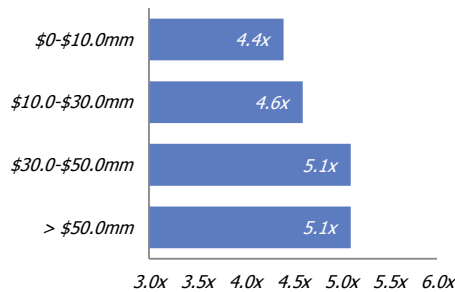
Average LTM EBITDA Margin by Size



Quarter over Prior Year Quarter Revenue and EBITDA by Size

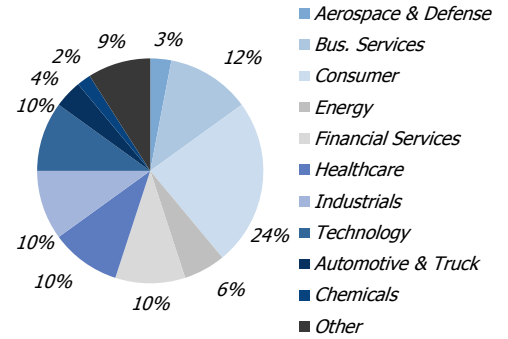


Average Current Leverage by Size

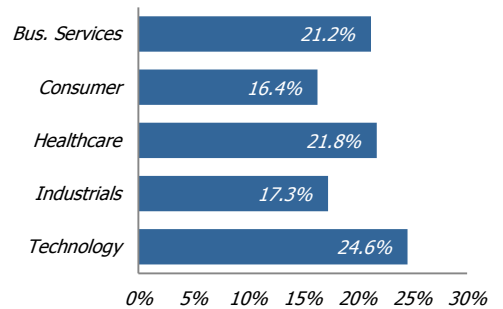


Trends by Industry Vertical

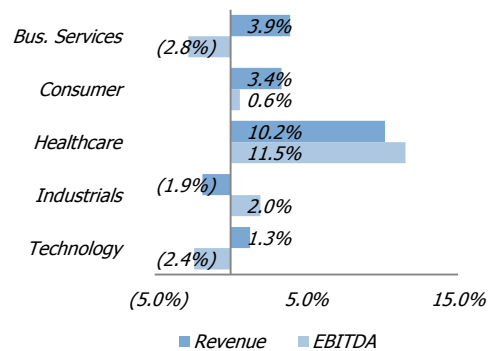
Distribution by Vertical



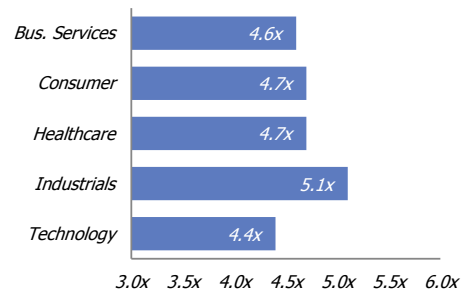
Average LTM EBITDA Margin by Vertical



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

Global Locations

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