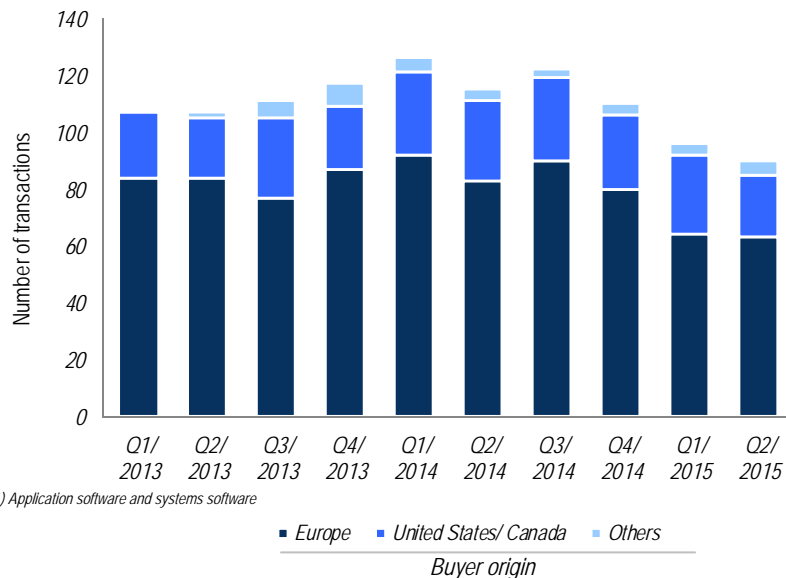
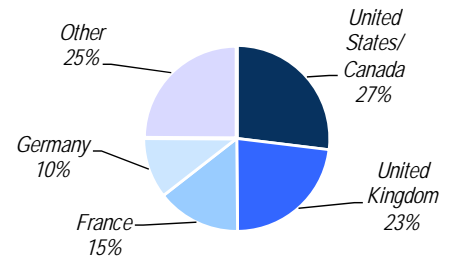


Welcome to the **2nd** edition of our European TMT newsletter - we are pleased to share our Frankfurt office's European perspective, insights and commentary on the technology and media sector with investment professionals, management and business owners

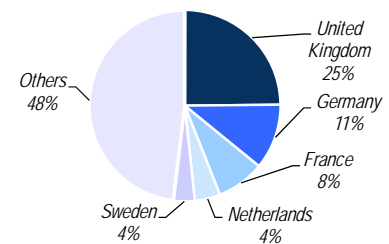
## Transactions with European targets in the software sector <sup>(1)</sup>



## Buyer origin Q3/2014 to Q2/2015



## Target origin Q3/2014 to Q2/2015



- Two acquisitions (metaio, 6Wunderkinder) represent the shape of things to come: Launched as start-ups, financed by VC rounds and partly by structural German initiatives, both companies have reached a stage where they made attractive targets for global digital heavyweights (see below)

## Selected transactions

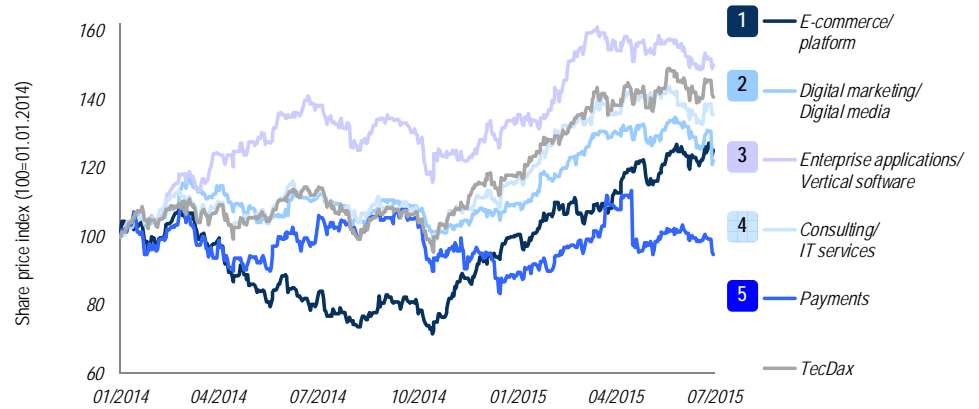
Date	Target	Description	Acquirer
4-Mar-15	metaio	Augmented Reality (AR)	Apple
<ul style="list-style-type: none"> <li>Boasting blue chip customers alongside a large and worldwide developer community using its AR SDK (software development kit), Metaio serves as a prime example for seminal digital technology ground in the German startup scene. Launched in 2003 on the campus of Munich's technical university, Metaio had matured to a point where its IP/ Technology make a necessary addition for a Tier-1 silicon valley competitor. As for Apple's plans on how to leverage the technology, speculation ranges from <b>AR on iOS</b> to future applications around apples elusive plans around <b>connected car</b></li> </ul>			
5-Feb-15	6Wunderkinder	Productivity App Development	Microsoft
<p>Rumored to have achieved an EV between Euro 100 and 200 millions, the sale of 6Wunderkinder to Microsoft was heralded as a wake-up call to a global digital industry: Berlin's start-up ecosystem is a force to be reckoned with! From a high-level perspective, 6Wunderkinder's monumental exit also reflects a larger trend in IT: there is ample market reward for the most simple and concise solution to a problem, in this case the ubiquitous to-do list. 6Wunderkinder's blockbuster product "Wunderlist" will serve Microsoft to reinforce its own position as the cloud transforms the market for productivity software</p>			
17-Mar-15	Elektrobit	Embedded software for automotive industry	Continental
<p>In a push to vastly expand its software expertise German automotive supplier Continental acquired Elektrobit, a Finnish specialist for embedded software in automotive. Valued at close to 700 million Euro, Elektrobit offers a variety of software and sensor-based technologies and services enhancing the driving experience. Continental's acquisition follows a larger trend in automotive: As OEMs are taking up stakes in connected car and start seeing a future use case for driverless cars, so do their suppliers. Continental stated that this acquisition will boost its capabilities in software and embedded hardware for developing automated driving systems</p>			

Source: CapitalIQ

## European TMT Players— Overview of share price and valuation performance per subsegment

- While still underperforming compared to the TecDax, our **E-Commerce/ platform** segment continues its growth out of recovery late last year, with a strong European player in online entertainment (bwin) leading the pack. While fewer in number, multiside-platforms (Just Eat) and online-retail with proprietary or digital products (Cimpress/ bwin) enjoy investor confidence over other E-Commerce business models
- With German social media network XING performing an impressive rally, our **Digital marketing/ Digital media** peer group's performance stayed largely constant. With large players like French Criteo doing excellent, there are insecurities in the market regarding *ad-blocking* technology
- Our **Enterprise application/ Vertical software** peer group again outperformed the TecDax. Q2 valuation levels partially reflects analysts' sentiments about shrinking profitability as giants like SAP transform towards cloud solution providers. This only holds true in short term - as cloud licence revenue surpass on-premise revenues after an average of 4 years
- The **Consulting/ IT Services** peer group continues to show strong correlation with the TecDAX. Analysts value its constant performance but are reserved towards its stagnant margins
- Our **Payment systems and software** peer group's performance was held back by dilution effects related to *optimal payments* acquisition of skill

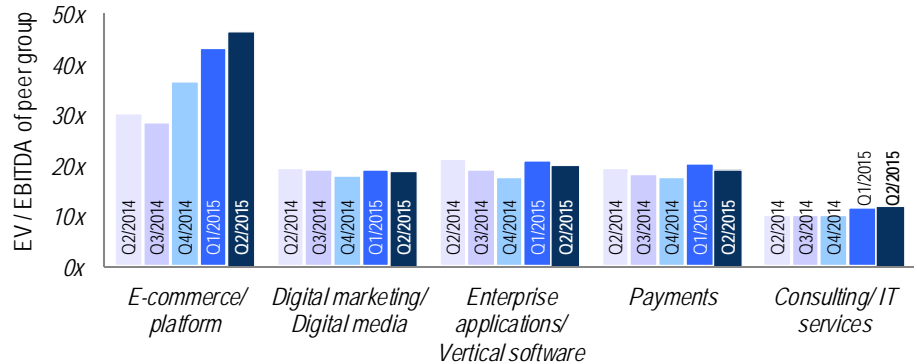
### Historical share price performance



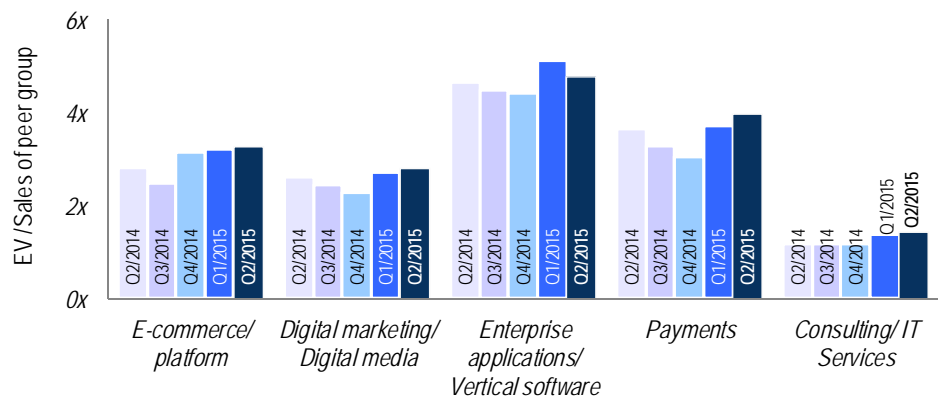
	1	2	3	4	5
(Under)/overperformance <sup>(1)</sup>	(11%)	(13%)	7%	(4%)	(33%)

(1) Compared to TechDAX

### Historical Enterprise Value / EBITDA (LTM) valuation performance



### Historical Enterprise Value / Sales (LTM) valuation performance



## European TMT players - Valuation details

Name	Country	Price in Euro	In % of max price (52 wk)	Market cap.	Enterprise value (EV)	Sales LTM	EBITDA LTM	Yoy-revenue growth (in %)	EBITDA margin (in %)	EV/ Sales LTM	EV/ EBITDA LTM
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Notes: All figures in Euro million if not otherwise stated; LTM = Last twelve months

### E-commerce/platform

AOWorld	UK	2.04	43%	860	807	659	2	41.6%	0.3%	1.2x	nmf
ASOS	UK	54.76	91%	4,541	4,449	1,439	58	33.0%	4.0%	3.1x	77.3x
bwin	Gibraltar	1.38	76%	1,138	1,015	612	83	(6.2%)	13.6%	1.7x	12.2x
Cnova	Netherlands	4.96	64%	2,191	2,126	3,693	18	17.7%	0.5%	0.6x	nmf
Eventim	Germany	32.71	98%	3,139	2,831	692	144	5.2%	20.9%	4.1x	19.6x
JustEast	UK	5.74	78%	3,875	3,644	275	56	79.9%	20.5%	13.2x	64.5x
Ocado	UK	6.30	99%	3,707	3,855	1,417	84	33.3%	5.9%	2.7x	46.2x
Vistaprint	Netherlands	75.55	92%	2,478	2,813	1,341	174	44.6%	13.0%	2.1x	16.2x
Yoox	Italy	29.02	89%	1,802	1,792	571	36	17.4%	6.3%	3.1x	49.7x
Zalando	Germany	29.96	95%	7,387	6,340	2,357	134	26.8%	5.7%	2.7x	47.3x
zooplus	Germany	126.00	98%	881	843	614	10	34.7%	1.6%	1.4x	84.0x
<b>Average</b>			<b>84%</b>	<b>2,909</b>	<b>2,774</b>	<b>1,243</b>	<b>73</b>	<b>29.8%</b>	<b>8.4%</b>	<b>3.3x</b>	<b>46.3x</b>
<b>Median</b>			<b>91%</b>	<b>2,478</b>	<b>2,813</b>	<b>692</b>	<b>58</b>	<b>33.0%</b>	<b>5.9%</b>	<b>2.7x</b>	<b>47.3x</b>

### Digital marketing/Digital media

1000mercis	France	42.69	87%	133	128	45	12	12.2%	26.5%	2.8x	10.7x
Criteo	France	42.80	93%	2,676	2,397	960	78	69.1%	8.2%	2.5x	30.5x
DotDigital	UK	0.48	82%	141	128	24	6	41.9%	24.3%	5.3x	21.9x
HiMedia	France	16.35	37%	30	(39)	166	(7)	(10.0%)	(4.0%)	(0.2)x	-
NetBooster	France	2.68	80%	41	48	116	4	(12.4%)	3.8%	0.4x	10.8x
Progressive	UK	3.21	82%	259	266	95	11	36.6%	11.8%	2.8x	23.8x
Publicis Groupe	France	66.32	84%	14,218	17,017	8,439	1,547	21.3%	18.3%	2.0x	11.0x
TomorrowFocus	Germany	4.28	77%	226	261	173	35	17.7%	20.3%	1.5x	7.4x
XING	Germany	147.15	83%	944	868	111	32	23.5%	28.4%	7.8x	27.5x
<b>Average</b>			<b>78%</b>	<b>2,074</b>	<b>2,341</b>	<b>1,125</b>	<b>191</b>	<b>22.2%</b>	<b>15.3%</b>	<b>2.8x</b>	<b>18.0x</b>
<b>Median</b>			<b>82%</b>	<b>226</b>	<b>261</b>	<b>116</b>	<b>12</b>	<b>21.3%</b>	<b>18.3%</b>	<b>2.5x</b>	<b>16.5x</b>

### Enterprise applications/ Vertical software

Dassault	France	65.22	89%	17,225	16,091	2,602	634	22.9%	24.4%	6.2x	25.4x
IDOX	UK	0.54	82%	187	201	83	17	13.1%	20.1%	2.4x	12.0x
InVision	Germany	41.89	66%	92	89	13	4	(4.9%)	30.9%	6.8x	22.0x
Nemetschek	Germany	28.87	87%	1,214	1,205	252	49	25.4%	19.6%	4.8x	24.4x
PSI	Germany	10.35	75%	199	174	181	9	1.9%	5.0%	1.0x	19.4x
RIB Software	Germany	14.30	93%	698	558	82	25	43.8%	29.9%	6.8x	22.7x
Sage Group	UK	7.24	88%	7,904	8,625	1,866	530	16.5%	28.4%	4.6x	16.3x
SAP	Germany	62.84	89%	79,252	85,683	19,178	6,260	12.8%	32.6%	4.5x	13.7x
Temenos Group	Switzerland	29.67	82%	2,168	2,535	429	105	24.9%	24.5%	5.9x	24.1x
<b>Average</b>			<b>84%</b>	<b>12,104</b>	<b>12,796</b>	<b>2,743</b>	<b>848</b>	<b>17.4%</b>	<b>23.9%</b>	<b>4.8x</b>	<b>20.0x</b>
<b>Median</b>			<b>87%</b>	<b>1,214</b>	<b>1,205</b>	<b>252</b>	<b>49</b>	<b>16.5%</b>	<b>24.5%</b>	<b>4.8x</b>	<b>22.0x</b>

Source: CapitalIQ (01.07.2015)

## European TMT players - Valuation details (continued)

Name	Country	Price in Euro	In % of max price (52 wk)	Market cap.	Enterprise value (EV)	Sales LTM	EBITDA LTM	Yoy- revenue growth (in %)	EBITDA margin (in %)	EV/ Sales LTM	EV/ EBITDA LTM
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Notes: All figures in Euro million if not otherwise stated; LTM = Last twelve months

### Consulting/IT services

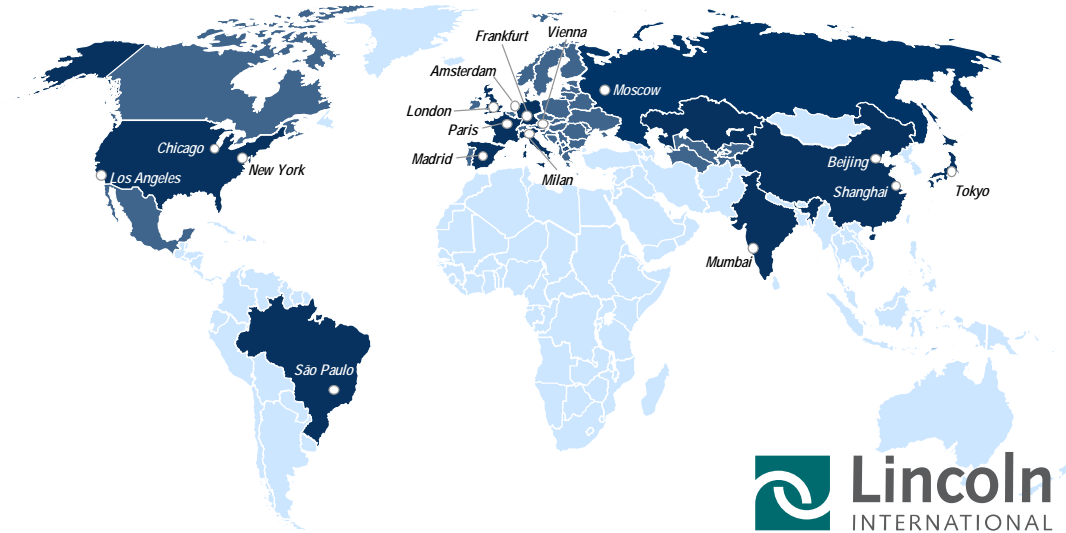
Allgeier	Germany	16.30	87%	161	185	435	20	4.7%	4.7%	0.4x	9.1x
Altran	France	9.63	96%	1,823	1,862	1,756	175	7.6%	10.0%	1.1x	10.6x
Atos	France	66.98	91%	7,194	7,059	9,816	1,130	15.5%	11.5%	0.7x	6.2x
ATOSS Software	Germany	40.00	82%	184	158	43	11	15.9%	25.8%	3.7x	14.4x
Bechtle	Germany	67.99	89%	1,642	1,554	2,616	131	11.5%	5.0%	0.6x	11.9x
Cancom	Germany	32.30	77%	504	480	847	43	28.2%	5.0%	0.6x	11.3x
Cap Gemini	France	79.37	93%	14,765	13,666	10,573	1,084	4.8%	10.3%	1.3x	12.6x
Sopra Steria	France	80.65	96%	1,989	2,608	3,326	268	135.8%	8.1%	0.8x	9.7x
Tieto Oyj	Finland	20.94	87%	1,699	1,714	1,479	160	(4.0%)	10.8%	1.2x	10.7x
Luxoft Holding	Switzerland	50.77	94%	1,815	1,774	485	92	67.6%	19.0%	3.7x	19.2x
Szygy	Germany	7.70	74%	113	78	50	5	30.3%	9.5%	1.6x	16.5x
<b>Average</b>			<b>88%</b>	<b>2,899</b>	<b>2,831</b>	<b>2,857</b>	<b>284</b>	<b>28.9%</b>	<b>10.9%</b>	<b>1.4x</b>	<b>12.0x</b>
<b>Median</b>			<b>89%</b>	<b>1,699</b>	<b>1,714</b>	<b>1,479</b>	<b>131</b>	<b>15.5%</b>	<b>10.0%</b>	<b>1.1x</b>	<b>11.3x</b>

### Payments

Ingenico	France	105.30	90%	7,270	7,708	1,962.3	440.7	38.4%	22.5%	3.9x	17.5x
Optimal	UK	3.31	41%	1,724	1,711	301.0	57.9	63.9%	19.2%	5.7x	29.6x
Paypoint	UK	13.99	87%	967	905	302.2	74.1	17.7%	24.5%	3.0x	12.2x
Qivi	Cyprus	25.18	62%	1,549	1,335	247.0	77.5	(3.4%)	31.4%	5.4x	17.2x
Qliro	Sweden	1.32	44%	230	205	556.0	(4.2)	9.2%	(0.7%)	0.4x	nmf
Wirecard	Germany	34.35	80%	4,242	3,528	660	182	24.6%	27.5%	5.3x	19.4x
<b>Average</b>			<b>67%</b>	<b>2,664</b>	<b>2,565</b>	<b>671.3</b>	<b>137.9</b>	<b>25.1%</b>	<b>20.7%</b>	<b>4.0x</b>	<b>19.2x</b>
<b>Median</b>			<b>71%</b>	<b>1,636</b>	<b>1,523</b>	<b>429.1</b>	<b>75.8</b>	<b>21.2%</b>	<b>23.5%</b>	<b>4.6x</b>	<b>17.5x</b>

Source: CapitalIQ (01.07.2015)

## Lincoln International at a glance



17

own offices in the 10 major world economies

380

professionals globally for M&A and Debt Advisory

50

professionals in the Frankfurt office

No. 1

globally as financial advisor to Private Equity on exits

No. 1

in German M&A sell-side league tables for 2014

> 135

successful transactions in 2014 worldwide

26

successful transactions in DACH region in 2014

## Selected recent transactions in the TMT sector advised by Lincoln International

 <p>Acquisition Financing</p> <p>Advisor to Oakley Capital (UK) on the acquisition financing of PARSHIP (D)</p> <p>April 2015</p> 	 <p>Sale</p> <p>ProWeb CE (FR) from ProWebClub (FR) to Alpha, Edenred (FR)</p> <p>March 2015</p> 	 <p>Sale</p> <p>DoublePositive (US) from Outcome (US) to OutputServices (US)</p> <p>March 2015</p> 	 <p>Refinancing</p> <p>Advisor to Oakley Capital (UK) on the refinancing of intergenia Holding (D)</p> <p>September 2014</p> 	 <p>Sale</p> <p>Comprova.com (BR) from Private Owners (BR) to DocuSign (US)</p> <p>March 2014</p> 	 <p>Sale</p> <p>entelios (D) from Yellow &amp; Blue (NL), HTGF (D) to EnerNOC (USA)</p> <p>February 2014</p> 
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## Contacts



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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 pension advisory services on a wide range of transaction sizes. With sixteen 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.

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