



Market Update Commerce Enablement

Q3 2018

Key Highlights

- Lincoln has 40+ active engagements in the Technology, Media and Telecom group globally and has completed 70+ transactions in the past three years
- The stock price indices for all segments of the CE sector outperformed the S&P 500 Index during Q3 2018
- EV / LTM revenue multiples for the subsectors were up 0.6x over the prior quarter and up 2.3x on a year-over-year basis, averaging 6.7x at the end of Q3 2018
- A number of notable transactions were completed in the Commerce Enablement sector in Q3 2018, including Adobe's landmark acquisition of Marketo, a leading cloud-based consumer engagement platform


Lincoln International's Commerce Enablement Sector

Lincoln International recognizes the importance of understanding a client's industry, value drivers, growth opportunities and challenges. Our extensive 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 commerce enablement sector 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 commerce enablement space. This update tracks pricing and valuation metrics and transaction activity for transaction activity for multiple segments within the commerce enablement sector, including:

- Business Intelligence & Analytics
- Digital Content Management
- Digital Goods & Services
- Mobile & Social Commerce
- Multichannel Ordering & Fulfillment




Select, Relevant Lincoln Transactions




has acquired



has sold a minority stake to

has been sold to



a portfolio company of


has sold

LUMATA | \1/

to




Lake Pacific PARTNERS

has sold



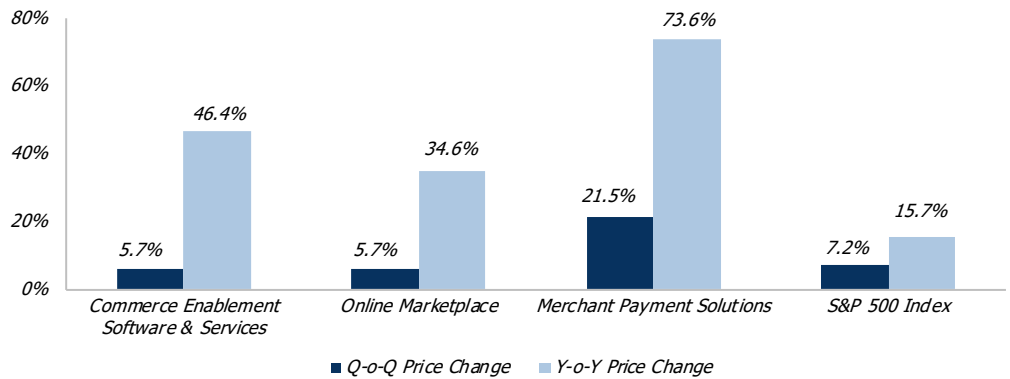
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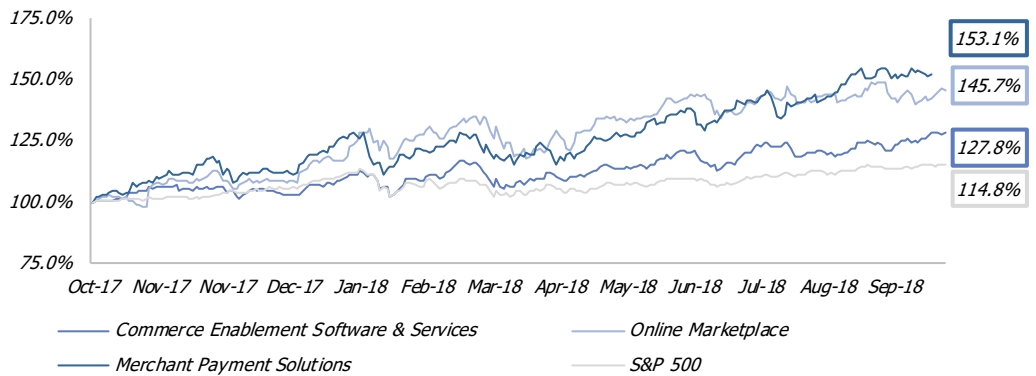

Quarter over Quarter Price Performance

Outperformers	Change	Underperformers	Change
LiveRamp Holdings, Inc.	65.0%	eGain Corporation	(46.4%)
Square, Inc.	60.6%	Vipshop Holdings Limited	(42.5%)
CarGurus, Inc.	60.3%	Overstock.com, Inc.	(17.7%)
Wayfair Inc.	24.3%	Zuora, Inc.	(15.0%)
Worldpay, Inc.	23.8%	Endurance International Group Holdings, Inc.	(11.6%)

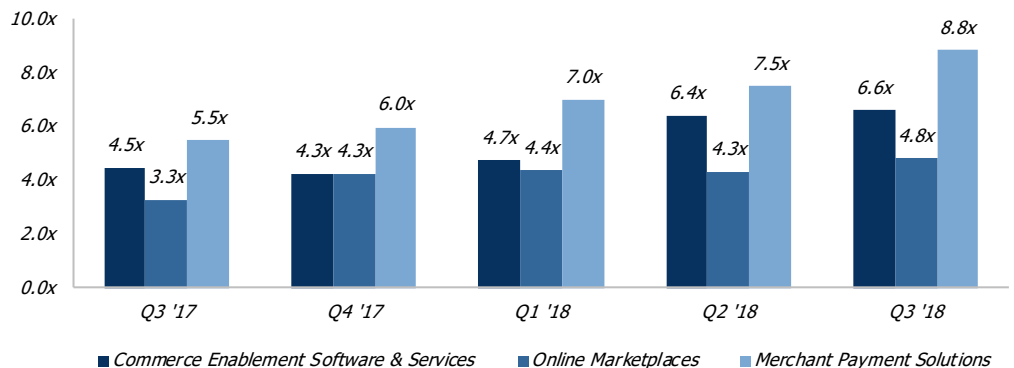
Quarter over Quarter & Year over Year Stock Indices Price Change



LTM Relative Stock Indices Price Performance



Historical Enterprise Value / LTM Revenue Valuation Performance



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
Commerce Enablement Software & Services										
Adobe Systems Incorporated	\$269.95	97.2%	\$131,772	\$128,712	\$8,572	\$3,090	24.2%	36.0%	15.0x	NM
Akamai Technologies, Inc.	73.15	88.0%	12,399	12,072	2,628	671	9.2%	25.5%	4.6x	18.0x
Blucora, Inc.	40.25	97.3%	1,918	2,106	552	105	12.3%	19.0%	3.8x	20.1x
Cardlytics, Inc.	25.04	88.5%	533	530	139	(23)	9.2%	(16.5%)	3.8x	NM
ChannelAdvisor Corporation	12.45	79.7%	340	290	128	(4)	8.7%	(3.1%)	2.3x	NM
Cognizant Technology Solutions Corporation	77.15	90.7%	44,765	41,267	15,512	3,203	9.8%	20.6%	2.7x	12.9x
DocuSign, Inc.	52.57	76.9%	8,243	7,425	602	(292)	57.9%	(48.5%)	12.3x	NM
eGain Corporation	8.10	42.5%	224	222	61	2	5.3%	2.7%	3.6x	NM
Endurance International Group Holdings, Inc.	8.80	80.4%	1,263	3,045	1,169	306	(0.2%)	26.2%	2.6x	9.9x
GoDaddy Inc.	83.39	98.5%	13,832	15,619	2,469	378	23.1%	15.3%	6.3x	NM
LiveRamp Holdings, Inc.	49.41	95.9%	3,837	3,971	932	97	6.1%	10.4%	4.3x	NM
Manhattan Associates, Inc.	54.60	87.5%	3,591	3,507	569	167	(4.7%)	29.3%	6.2x	21.0x
Oracle Corporation	51.56	96.4%	195,342	194,044	39,920	16,155	4.4%	40.5%	4.9x	12.0x
Quotient Technology Inc.	15.50	86.8%	1,474	1,267	351	16	21.6%	4.6%	3.6x	NM
salesforce.com, inc.	159.03	98.7%	120,338	121,309	11,793	1,103	25.3%	9.4%	10.3x	NM
SAP SE	123.00	96.7%	147,082	150,344	27,599	7,244	4.4%	26.2%	5.4x	20.8x
Shopify Inc.	164.46	93.1%	17,571	15,997	854	(48)	67.7%	(5.6%)	18.7x	NM
Stamps.com Inc.	226.20	79.2%	4,107	3,905	521	205	24.1%	39.3%	7.5x	19.1x
Web.com Group, Inc.	27.90	98.4%	1,350	1,963	751	142	0.1%	18.9%	2.6x	13.8x
Zuora, Inc.	23.11	61.2%	2,489	2,328	206	(54)	82.0%	(26.3%)	11.3x	NM
Mean		86.7%					19.5%	11.2%	6.6x	16.4x
Online Marketplace										
Alibaba Group Holding Limited	\$164.76	77.8%	\$423,751	\$428,653	\$42,451	\$12,746	63.2%	30.0%	10.1x	33.6x
Amazon.com, Inc.	2,003.00	97.7%	976,946	995,685	208,125	20,631	38.6%	9.9%	4.8x	NM
CarGurus, Inc.	55.69	97.3%	6,096	5,954	383	13	48.8%	3.4%	15.6x	NM
eBay Inc.	33.02	70.3%	32,675	37,909	10,065	3,001	7.8%	29.8%	3.8x	12.6x
Etsy, Inc.	51.38	96.5%	6,153	5,862	496	76	25.1%	15.3%	11.8x	NM
Expedia Group, Inc.	130.48	84.6%	19,500	20,773	10,673	1,158	13.0%	10.8%	1.9x	17.9x
Liquidity Services, Inc.	6.35	79.4%	204	111	233	(19)	(18.8%)	(8.4%)	0.5x	NM
Overstock.com, Inc.	27.70	30.8%	804	732	1,809	(139)	(1.3%)	(7.7%)	0.4x	NM
Rakuten, Inc.	7.67	68.3%	10,358	13,917	9,171	1,723	20.8%	18.8%	1.5x	8.1x
Vipshop Holdings Limited	6.24	32.6%	4,130	3,897	12,094	524	27.2%	4.3%	0.3x	7.4x
Wayfair Inc.	147.67	97.7%	13,243	13,150	5,697	(264)	45.0%	(4.6%)	2.3x	NM
Mean		75.7%					24.5%	9.3%	4.8x	15.9x
Merchant Payment Solutions										
First Data Corporation	\$24.47	91.9%	\$22,848	\$43,823	\$8,540	\$2,997	8.0%	35.1%	5.1x	14.6x
FleetCor Technologies, Inc.	227.84	99.0%	20,138	23,967	2,358	1,247	14.4%	52.9%	10.2x	19.2x
Global Payments Inc.	127.40	98.6%	20,153	24,114	3,721	1,222	(11.2%)	32.8%	6.5x	19.7x
PayPal Holdings, Inc.	87.84	93.7%	103,974	95,587	14,525	2,638	23.5%	18.2%	6.6x	NM
Square, Inc.	99.01	98.6%	40,636	40,086	2,685	(13)	41.0%	(0.5%)	14.9x	NM
Worldpay, Inc.	101.27	99.4%	30,119	38,253	3,957	1,169	4.2%	29.5%	9.7x	32.7x
Mean		96.9%					13.3%	28.0%	8.8x	21.6x

Sources: Bloomberg, Capital IQ and company filings, as of 9/28/2018

Acquisition Spotlight

09/20/2018: **Adobe (Nasdaq:ADBE)** has acquired **Marketo**, a leading provider of cloud-based engagement marketing services, for **\$4.8 billion** from **Vista Equity Partners**.

"The acquisition of **Marketo** widens **Adobe's** lead in customer experience across B2C and B2B channels and puts **Adobe Experience Cloud** at the heart of all marketing."

- Brad Rencher, EVP and GM, Digital Experience at **Adobe**

Market Intelligence

09/26/2018: **Stripe**, the California-based payments software firm, raised USD 245m led by **Tiger Global Management, Sequoia, DST Global, Khosla Ventures, Andreessen Horowitz, Kleiner Perkins, Thrive Capital** and **General Catalyst** also participated in the raise, according to a **Stripe** statement. The fundraise values **Stripe** at USD 20bn, an increase from USD 9bn during its previous raise two years ago. The proceeds will be used to continue building the company's global engineering group.

09/25/2018: **Deliveroo**, the UK-based restaurant delivery service, received two early approaches from **Amazon (NASDAQ:AMZN)** before it began discussions with **Uber Technologies**. **Amazon** made its first approach to **Deliveroo** a couple of years ago, before the ecommerce group set up its own food delivery service. **Deliveroo** was valued at about USD 2bn last year. It is understood that **Deliveroo** executives have put off plans to list the business from next year until 2020 and are considering another private capital raise prior to an initial public offering.

08/14/2018: **Ebix (NASDAQ:EBIX)**, the Georgia-based supplier of on-demand software and ecommerce services, may spend USD 500m on making additional buys in India following its recent deal to acquire Mumbai-based **Mercury Travels** and Delhi-based **Leisure Corp**. Robin Raina, **Ebix'** CEO, has stated that the company – which has already spent nearly USD 500m on 11 acquisitions in the last 14 months – will continue its investment in the Indian market.

07/26/2018: **eBay (NASDAQ: EBAY)**, the California-based ecommerce giant, is exploring fresh investment options in India, with the company set to exit from its investment in India's **Flipkart** through the latter's sale to US retailer **Walmart**. Reports state that **eBay** has held negotiations to potentially merge its India operations with some local ecommerce players in India, including **ShopClues**.

Selected M&A Transaction Recap

Closed	Target Company	Target Description	Acquiring Company
Announced	XO Group	Provides multiplatform media and marketplace services	WeddingWire
Announced	Marketo	Provides cloud-based engagement marketing services	Adobe Systems
Announced	Kanetix	Operates as an online marketplace that provides online comparison shopping services	Ontario Teachers' Pension Plan
Announced	Wazee Digital	Provides digital asset management for businesses to better monetize their content	Veritone
Announced	The Dun & Bradstreet Corporation	Provides commercial data, analytics and insight on businesses	Thomas H. Lee Partners; Cannae Holdings; CC Capital
Announced	SCVNGR	Provides mobile diner engagement and payment solutions	GrubHub Holdings
Oct-18	Apttus Corporation	Provides quote-to-cash software solutions that help enterprises manage revenue and commercial relationships	Thoma Bravo
Oct-18	Defakto	Provides customer experience program design and implementation	Ansira
Oct-18	Acxiom Marketing Solutions	Provides data solutions powering real-time customer experiences	The Interpublic Group of Companies
Sep-18	Upstream Commerce	Provides real-time pricing and product assortment optimization solutions	Flipkart Online Services
Sep-18	Emark	Provides marketing and advertising technology to enable data driven campaigning and customer interaction	Wunderman
Aug-18	ListEngage	Provides online marketing services through email, mobile and social media programs	Broadtree Partners
Aug-18	MercuryGate International	Provides SaaS-based transportation management system solutions	Summit Partners
Aug-18	MetaPack	Provides ecommerce delivery management technology to enterprise retailers and brands	Stamps.com
Aug-18	SugarCRM	Provides open-source customer relationship management solutions	Accel-KKR
Aug-18	Gorilla	Provides ecommerce solutions to enterprise B2B and direct-to-consumer brands	Wunderman
Jul-18	Match Marketing	Provides omnichannel shopper marketing services	Southfield Capital
Jul-18	Value Payment Systems	Operates as a payment platform and payment gateway	Providence Equity Partners

Source: Capital IQ, Mergermarket, Company Filings as of 9/30/2018

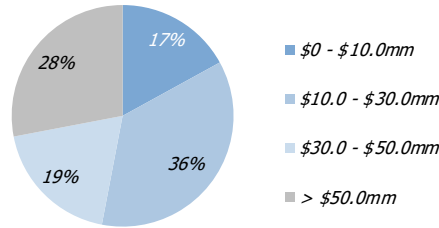
The Lincoln VOG Database – Lincoln’s Perspectives on the Mid-Market

About the Lincoln VOG Database:

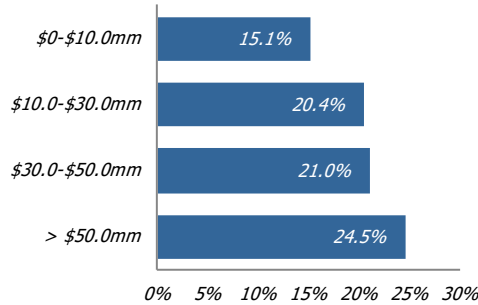
Lincoln maintains an extensive proprietary database in connection with its quarterly portfolio valuation activities by the Valuations and Opinions Group, containing financial data for a diverse group of companies across ten primary industry segments. The database offers a glimpse into the mid-market 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 970 mid-market companies.

Trends by Size (LTM EBITDA)

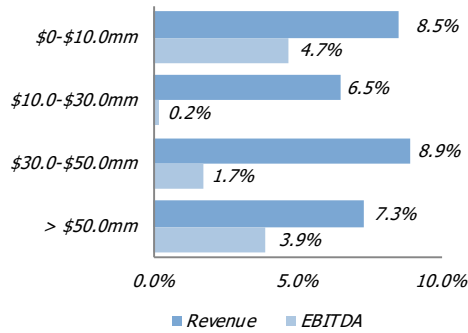
Distribution by Size



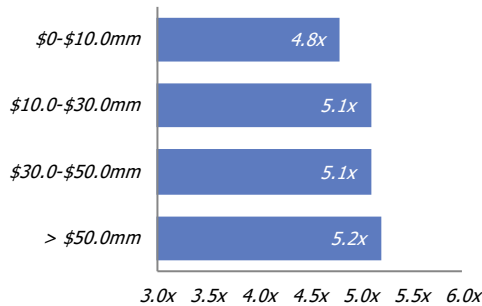
Average LTM EBITDA Margin by Size



Quarter over Prior Year Quarter Revenue and EBITDA by Size

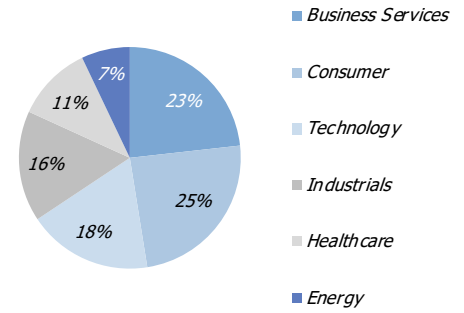


Average Current Leverage by Size

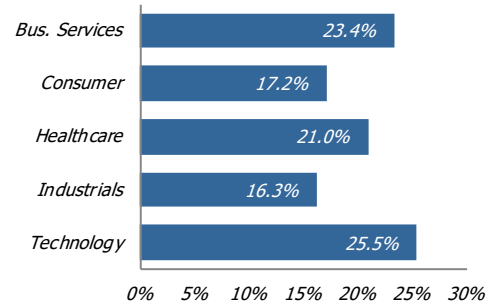


Trends by Industry Vertical

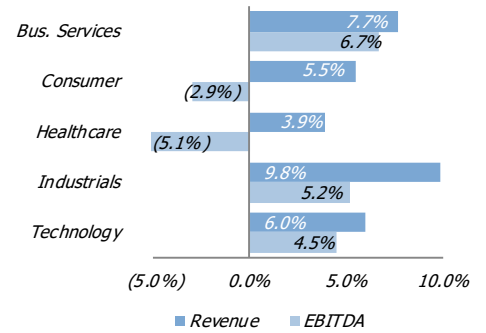
Distribution by Vertical



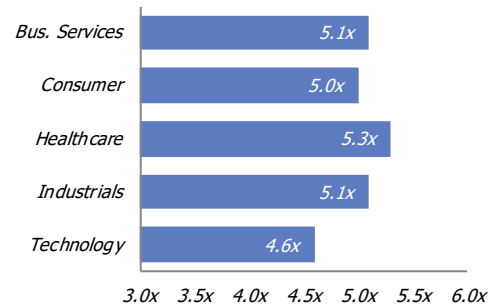
Average LTM EBITDA Margin by Vertical



Quarter over Prior Year Quarter Revenue and EBITDA by Vertical



Average Current Leverage by Vertical



Global Industry Groups

Business Services
Consumer
Energy, Power & Infrastructure
Healthcare
Industrials
Technology, Media & Telecom

Global Locations

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

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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 twenty 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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