



Market Update Commerce Enablement

Q1 2018

Key Highlights

- Lincoln update: recently opened new offices in San Francisco and Stockholm, continuing the expansion of the global TMT group
- The stock price indices for all segments of the commerce enablement sector outperformed the S&P 500 Index during Q1 2018
- EV / LTM Revenue multiples for the subsectors were up 0.5x over the prior quarter and up 1.5x on a year over year basis, averaging 5.6x at the end of Q1 2018
- Acquisition spotlight: Salesforce (NYSE:CRM) has acquired CloudCraze, a leading B2B commerce and customer relationship management platform built natively on Salesforce (03/13/2018)

Lincoln International's Commerce Enablement Practice

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 Practice 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

Selected, Relevant Lincoln Transactions



has sold a minority stake to



has been sold to



a portfolio company of



has sold



to



a portfolio company of

BC Partners



has sold



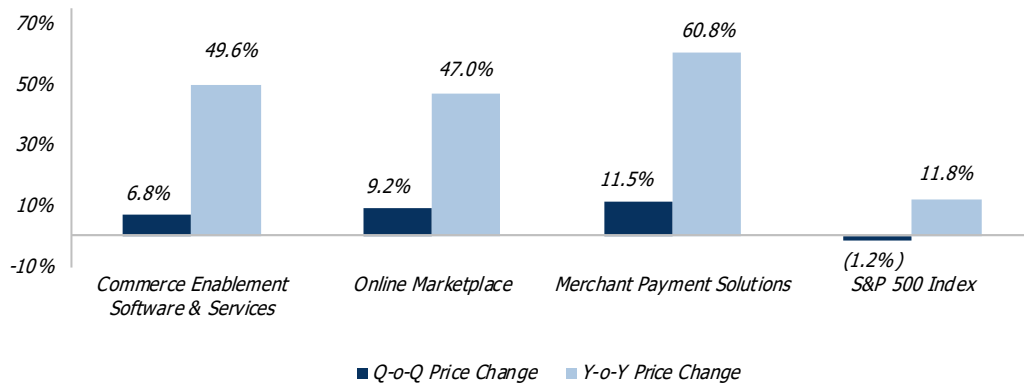
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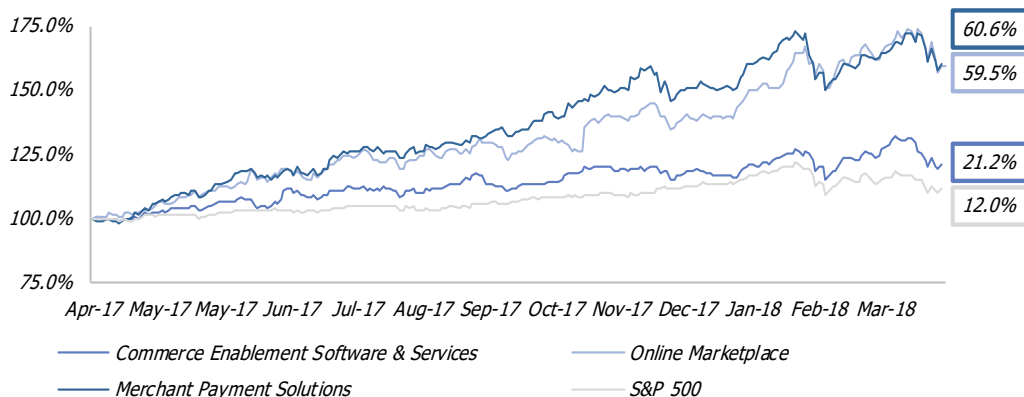
Quarter over Quarter Price Performance

Outperformers	Change	Underperformers	Change
eGain Corporation	51.4%	Manhattan Associates, Inc.	(15.5%)
Square, Inc.	41.9%	Wayfair Inc.	(15.9%)
Vipshop Holdings Limited	41.8%	Web.com Group, Inc.	(17.0%)
Etsy, Inc.	37.2%	Acxiom Corporation	(17.6%)
Liquidity Services, Inc.	34.0%	Overstock.com, Inc.	(43.3%)

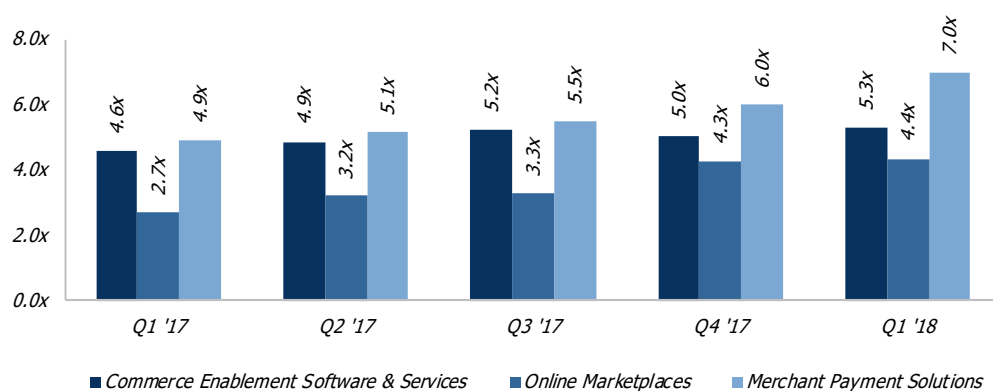
Quarter over Quarter & Year over Year Stock Indices Price Change



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 Revenue	LTM EBITDA	YoY Revenue Growth	EBITDA Margin	Enterprise Value / Revenue	LTM EBITDA
Commerce Enablement Software & Services										
Axiom Corporation	\$22.71	69.0%	\$1,787	\$1,839	\$897	\$82	2.0%	9.1%	2.0x	22.5x
Adobe Systems Incorporated	216.08	93.4%	106,413	102,148	7,699	2,724	25.1%	35.4%	13.3x	NM
Akamai Technologies, Inc.	70.98	90.7%	12,069	12,020	2,503	645	5.1%	25.8%	4.8x	18.6x
Blucora, Inc.	24.60	94.1%	1,149	1,445	510	88	7.8%	17.3%	2.8x	16.4x
ChannelAdvisor Corporation	9.10	71.9%	246	194	123	(7)	6.4%	(5.8%)	1.6x	NM
Cognizant Technology Solutions Corporation	80.50	94.6%	47,338	43,155	14,810	3,032	7.1%	20.5%	2.9x	14.2x
eGain Corporation	7.95	93.5%	217	213	58	(0)	(4.5%)	(0.0%)	3.7x	NM
Endurance International Group Holdings, Inc.	7.40	77.9%	1,048	2,888	1,177	283	0.7%	24.0%	2.5x	10.2x
GoDaddy Inc.	61.42	95.2%	9,014	11,132	2,232	291	17.2%	13.1%	5.0x	NM
Manhattan Associates, Inc.	41.88	77.3%	2,847	2,721	595	198	(0.6%)	33.2%	4.6x	13.8x
Oracle Corporation	45.75	85.5%	186,766	177,593	39,472	15,492	5.5%	39.2%	4.5x	11.5x
Quotient Technology Inc.	13.10	73.4%	1,223	975	322	12	14.3%	3.6%	3.0x	NM
salesforce.com, inc.	116.30	90.2%	85,176	82,887	10,480	897	24.9%	8.6%	7.9x	NM
SAP SE	105.16	90.0%	124,873	127,679	28,171	7,202	16.5%	25.6%	4.5x	17.7x
Shopify Inc.	124.59	80.5%	13,126	12,182	673	(33)	51.6%	(4.8%)	18.1x	NM
Stamps.com Inc.	201.05	86.2%	3,531	3,463	469	185	21.0%	39.5%	7.4x	18.7x
Web.com Group, Inc.	18.10	69.7%	774	1,409	749	150	(0.2%)	20.0%	1.9x	9.4x
Mean		84.3%					11.8%	17.9%	5.3x	15.3x
Online Marketplace										
Alibaba Group Holding Limited	\$183.54	89.0%	\$471,602	\$468,868	\$34,874	\$13,747	51.7%	39.4%	13.4x	34.1x
Amazon.com, Inc.	1,447.34	89.5%	700,668	713,829	177,866	15,039	24.8%	8.5%	4.0x	NM
CarGurus, Inc.	38.47	96.3%	4,083	3,945	317	19	39.9%	6.0%	12.5x	NM
eBay Inc.	40.24	85.6%	40,726	44,878	9,567	2,941	5.6%	30.7%	4.7x	15.3x
Etsy, Inc.	28.06	96.3%	3,409	3,079	441	48	16.1%	10.9%	7.0x	NM
Expedia Group, Inc.	110.41	68.6%	16,794	19,356	10,060	1,159	11.1%	11.5%	1.9x	16.7x
Liquidity Services, Inc.	6.50	80.2%	208	111	260	(26)	(15.1%)	(10.2%)	0.4x	NM
Overstock.com, Inc.	36.25	40.4%	1,069	902	1,745	(30)	(4.1%)	(1.7%)	0.5x	NM
Rakuten, Inc.	8.21	62.0%	11,056	11,560	8,385	1,433	14.9%	17.1%	1.4x	8.1x
Vipshop Holdings Limited	16.62	86.8%	10,905	10,213	11,206	571	27.8%	5.1%	0.9x	17.9x
Wayfair Inc.	67.53	67.4%	5,977	5,772	4,721	(174)	31.4%	(3.7%)	1.2x	NM
Mean		78.4%					18.5%	10.3%	4.4x	18.4x
Merchant Payment Solutions										
First Data Corporation	\$16.00	83.2%	\$14,820	\$36,454	\$8,129	\$2,875	3.5%	35.4%	4.5x	12.7x
FleetCor Technologies, Inc.	202.50	94.7%	18,186	21,791	2,250	1,120	16.1%	49.8%	9.7x	19.4x
Global Payments Inc.	111.52	93.8%	17,789	21,919	3,975	1,105	(2.3%)	27.8%	5.5x	19.8x
PayPal Holdings, Inc.	75.87	87.9%	91,056	80,430	13,094	2,427	16.2%	18.5%	6.1x	33.1x
Square, Inc.	49.20	84.2%	19,501	19,000	2,214	(24)	23.6%	(1.1%)	8.6x	NM
Worldpay, Inc.	82.24	96.2%	24,660	30,303	4,026	889	9.2%	22.1%	7.5x	34.1x
Mean		90.0%					11.0%	25.4%	7.0x	23.8x

Sources: Bloomberg, Capital IQ and company filings, as of 3/31/2018

Acquisition Spotlight

03/13/2018: **Salesforce (NYSE:CRM)** has acquired **CloudCraze**, a leading B2B commerce and customer relationship management platform built natively on Salesforce. Transaction details have yet to be released.

"The B2B commerce industry is expected to grow from \$889 billion today to \$1.2 trillion by 2021... With the addition of **CloudCraze** to the Salesforce Commerce Cloud, **Salesforce** and its customers can now take advantage of this shift to digital commerce."

-Ray Grady, President and Chief Customer Officer at **CloudCraze**

Market Intelligence

04/08/2018: **Flipkart**, the India-based e-commerce company, is being pursued by **Walmart (NYSE:WMT)** who has already floated an offer proposal for controlling interest. The transaction value of the proposal is estimated to be \$10 – \$12 billion, valuing **Flipkart** at \$20 billion

03/19/2018: **Stamps.com (Nasdaq:STMP)**, the leading provider of internet-based USPS postage, labels and other shipping services, is scouting for multi-carrier software shipping solutions to support its e-commerce and retail customers globally. **Stamps.com** is particularly interested in deals that are strategic and "move the needle" according to Jeff Carberry, Chief Financial Officer

03/01/2018: **DoorDash**, the California-based food delivery service, announced it has raised \$535 million on Series D funding in a round led by Japan's SoftBank Group. Additional

participants include existing investors Sequoia Capital, GIC and Wellcome Trust

02/21/2018: **PayPal (Nasdaq:PYPL)**, an online payments system operator that supports online money transfers and services, plans to be a consolidator in the payments industry this year as it looks for ways to "deepen its presence in areas outside the US" according to Bill Ready, Chief Operating Officer

02/06/2018: **Acxiom (Nasdaq:ACXM)**, leading marketing technology and services company, is realigning its portfolio into two distinct business units and exploring options for its new marketing solutions segment, drawing interest from financial sponsors

01/28/2018: **Unicommerce eSolutions**, a software product developer, is on the block as India-based owner **Jasper Infotech** has held preliminary talks of a sale with multiple parties

Selected M&A Transaction Recap

Closed	Target Company	Target Description	Acquiring Company
Announced	CloudCraze Software	Provides B2B commerce and customer relationship management	Salesforce.com
Announced	Next Issue Media	Technology supporting digital content subscriptions	Apple
Announced	CommerceHub	Provides cloud-based e-commerce fulfillment and marketing solutions	GTCR
Announced	Carted	Provides digital marketing services for online grocery shopping	Bell Media
Announced	Zagat Survey	Provides user-generated content, curated rating and reviews about restaurants	The Infatuation
Announced	Qoo10	Operates as an online marketplace for shopping	eBay
Announced	Main Street Hub	Develops and operates an online marketing platform for local businesses	GoDaddy
Announced	Blackhawk Network Holdings	Provides physical and electronic prepaid gift, telecom and debit cards	Silver Lake Partners and P2 Capital
Mar-18	CaliberMind	Develops software that provides B2B companies insights on their buyers	Salesforce.com (Venture Funding)
Mar-18	MyCheck	Offers a mobile payment application allowing users to pay using their smartphone	O.G. Tech Ventures
Mar-18	Engage2Excel	Provides employee engagement, customer loyalty and sales incentives solutions	Comvest Investment Partners
Feb-18	AddStructure	Operates as a platform for retailers to deploy search and discovery products	Bazaarvoice
Feb-18	Great Lakes Script Center	Provides technology-enabled fundraising solutions for non-profit organizations	Bold Orange
Feb-18	Dealer Inspire	Provides digital solutions to automotive dealers	Cars.com
Jan-18	Bazaarvoice	Platform connecting brands and retailers to customer-generated feedback	Marlin Equity Partners
Jan-18	Altima	Provides digital commerce designing services	Accenture
Jan-18	ShopKeep.com	Provides point of sale hardware, software and analytics	First Data (Venture Funding)

Source: Capital IQ, Mergermarket, Company Filings as of 3/31/2018

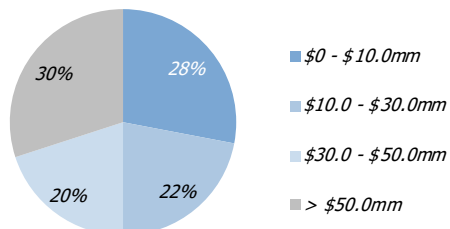
The Lincoln VOG Database – Lincoln's Perspectives on the Mid-Market

About the Lincoln VOG Database:

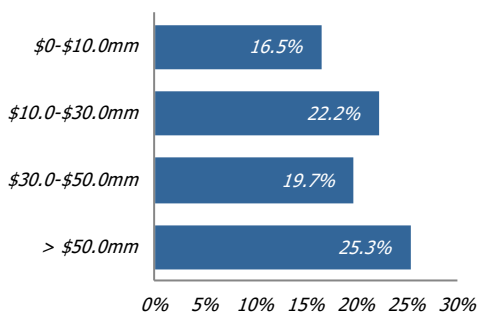
Lincoln maintains an extensive proprietary database in connection with its quarterly portfolio valuation activities by the Valuations and Opinions Group, containing financial data for a diverse group of companies across ten primary industry segments. The database offers a glimpse into the mid-market 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 800 mid-market companies.

Trends by Size (LTM EBITDA)

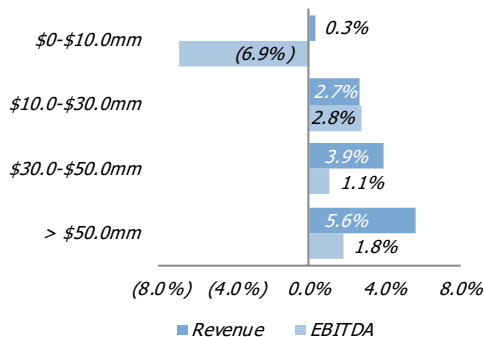
Distribution by Size



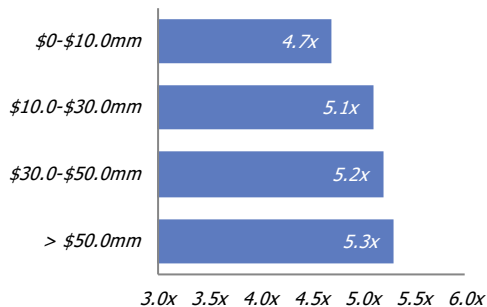
Average LTM EBITDA Margin by Size



Quarter over Prior Year Quarter Revenue and EBITDA by Size

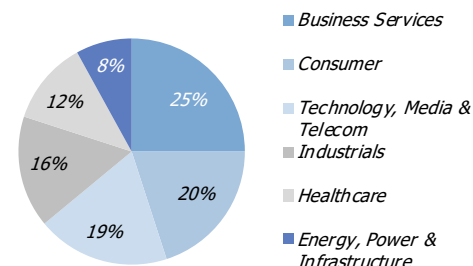


Average Current Leverage by Size

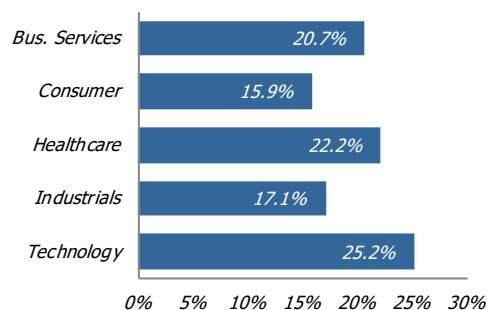


Trends by Industry Vertical

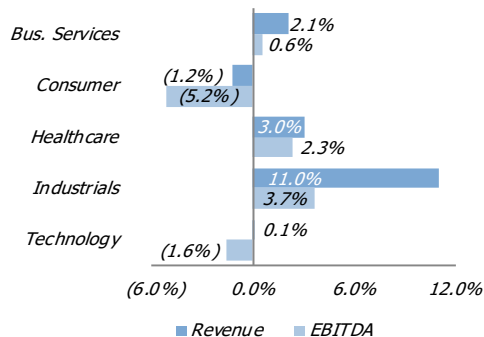
Distribution by Vertical



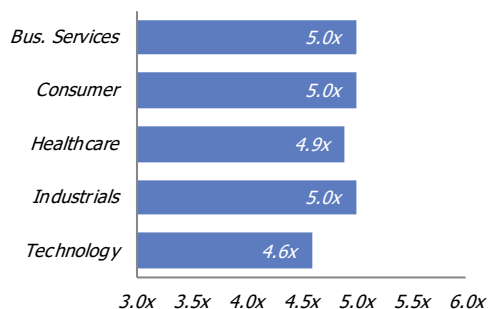
Average LTM EBITDA Margin by Vertical



Quarter over Prior Year Quarter Revenue and EBITDA by Vertical



Average Current Leverage by Vertical



Global Industry Groups

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

Advisory Services

Mergers & Acquisitions

Debt Advisory

JV & Partnering

Valuations & Opinions

Special Situations

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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