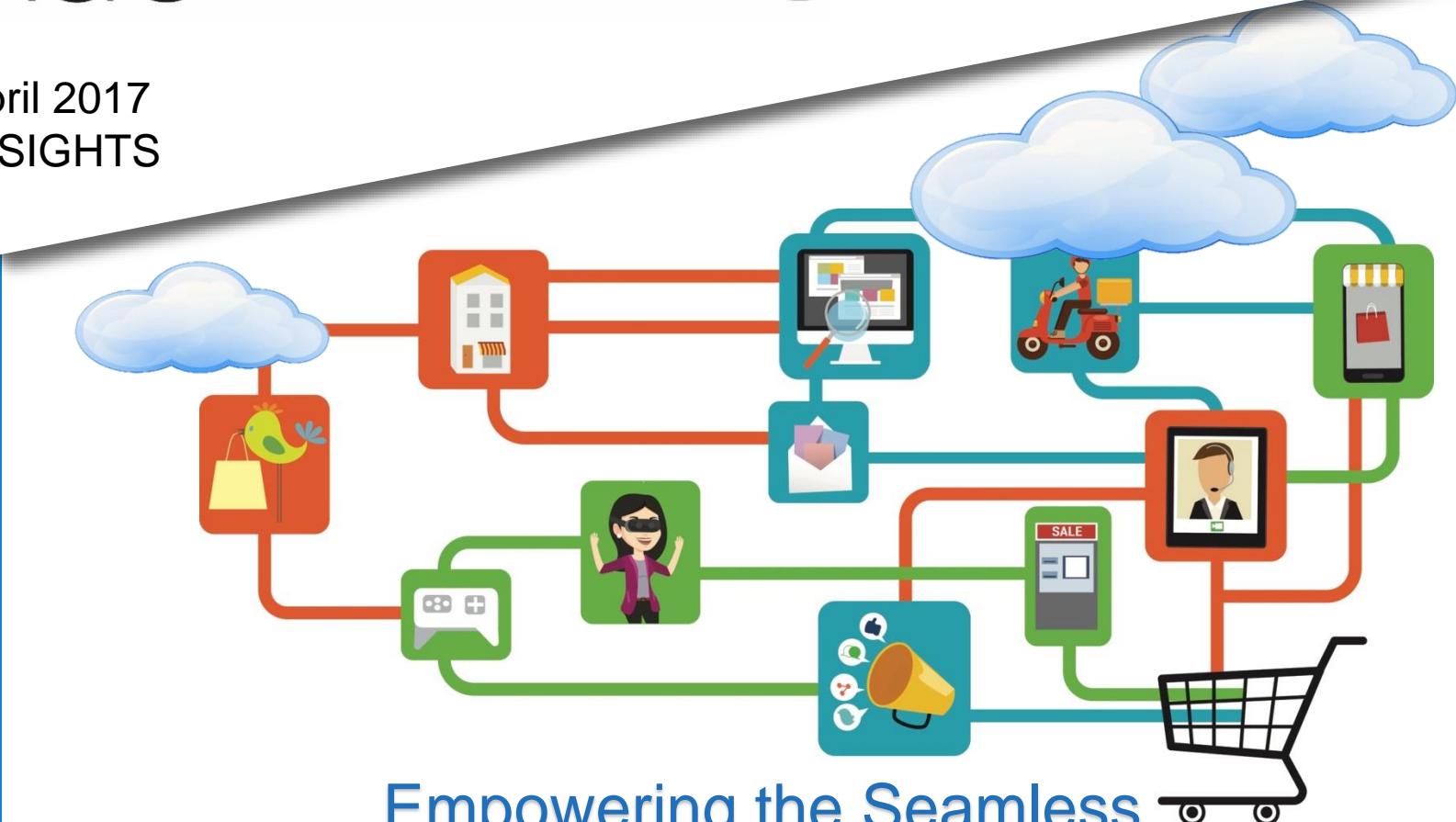


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Empowering the Seamless Omni-Channel Shopping Experience: *New Technologies and Infrastructure Leading the Way*

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Introduction



Retail is a \$23 trillion industry in a period of massive disruption. New technologies, an increased use of data, and more sophisticated infrastructure are leading the way to an improved consumer journey / shopping experience. However, understanding how to use this data and these new technologies is highly complex and fragmented. Consumers want a personalized, real-time, omni-channel shopping experience with flexible delivery and return options. Traditional retailers are slowly trying to provide that, but it's expensive, complex, and there's minimal room for mistakes. In addition, brands are taking a more active role, and thereby causing further disruption to the consumer's traditional path to purchase. Brands are no longer willing to "sit behind" retailers and instead increasingly want a direct relationship with their consumers.

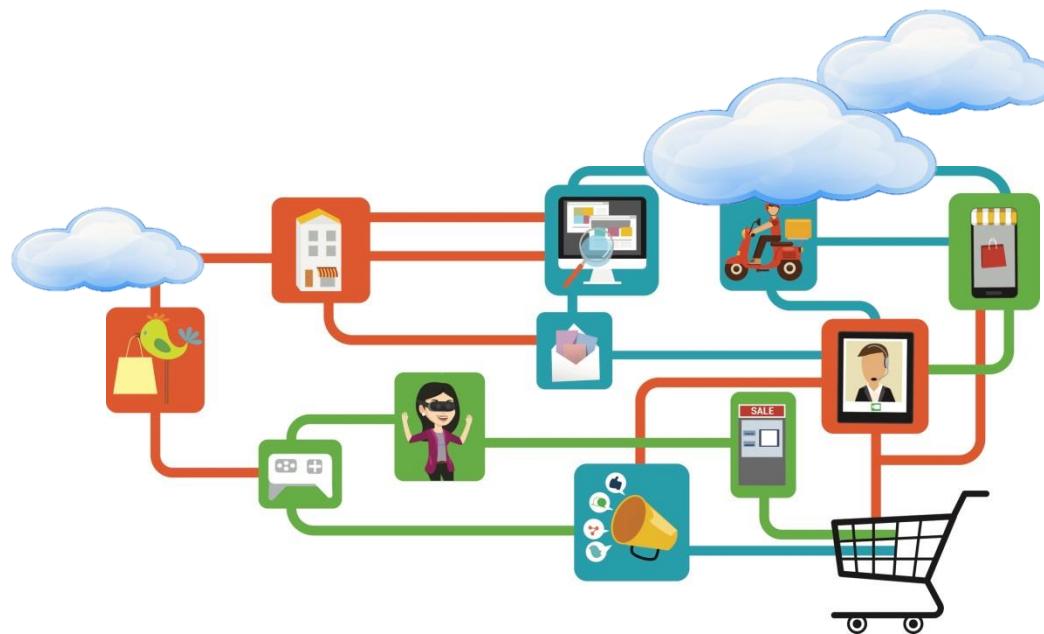
So, whereas the traditional consumer shopping experience began with marketing and promotions, followed by an in-store retail experience, on-premise checkout platform, over the phone customer service and in-store returns, this process is no longer the norm. Consumers are increasingly using their mobile devices as a "remote control" for their shopping experiences. Brands and online specialty retailers are now opening up their own retail stores, further disrupting that traditional purchase path. Finally, social media influencers are blurring the lines between native content and advertising, and geolocation advancements are ushering in a new era of consumer targeting. All of this is causing massive changes throughout the entire path to purchase.

The enclosed report will identify and discuss the technologies and trends that enable the modern omni-channel consumer shopping experience, and is the third one we've written about in the Retail / eCommerce Industry. The first one, "***The Changing Consumer Shopping Experience: Trends and Technologies Leading the Way***" was the predecessor to this report and was published in January 2015. It can be found [here](#). Then, in August, 2016, we wrote a report about the "front end" online specialty retailers. It was titled "***The Retail Industry Disruptors: Specialty Online Retailers and Marketplaces Take Center Stage***". That report can be found [here](#). Both reports can also be found on the AGC website at agcpartners.com/insights/. We hope you enjoy this report and find it useful. Please call us to discuss its content or talk about any relevant investment banking opportunity you may have.

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- I. Key Retail / eCommerce Industry Trends**
- II. M&A Transactions, VC/PE Investing, and IPO Activity**
- III. Appendix**
 - a. In-Store Retail Technologies
 - b. Online Storefront Platforms
 - c. Post-Purchase Customer Experience
 - d. Digital Marketing Services



I. Key Retail / eCommerce Industry Trends

Key Retail / eCommerce Industry Trends



eCommerce sales are the key growth driver and lifeblood of the \$23 trillion global retail industry

- According to eMarketer, eCommerce sales grew 25.7% in 2016 vs. 6.1% for traditional retail
- eCommerce now represents approximately 8.8% of total retail sales, up from 7.5% in 2015

Amazon has taken over as the industry “juggernaut” and its position is expected to continue to strengthen in the foreseeable future

- With a market value of \$417 billion, Amazon is the largest player in the online retail industry. The next largest online retailer is Alibaba with a market value of \$274 billion, and the largest traditional retailer is Walmart, with a market value of \$217 billion (about 50% of Amazon)
- Amazon represented 43% of all U.S. online retail sales and 53% of the U.S. eCommerce growth among publicly traded companies in 2016, according to Slice
- Amazon Prime has been a huge success story, with 65 million global subscribers as of year end 2016 (21% of all US population), providing the company with a \$5.8 billion subscription-based revenue stream
- According to a study by Shullman Research Center, 72% of households with over \$500k in income and 66% with over \$250k in income, buy from Amazon at least once a month, and 83% of households with income over \$500k believe that Amazon is better than other retailers

Traditional retailers are struggling badly with prospects for turnaround all but disappearing

- They suffer from too many physical stores, overstocked inventories, and lack of effective online commerce and technology-based strategies
- Several big retailers filed bankruptcies in 2016 (including Aéropostale, Vestis Retail Group, and Sports Authority) and many more announced significant store closings (Macy's, Sears, JCPenny, CVS)

Consumers want seamless shopping experiences – personalized, real-time, omni-channel, and with flexible delivery and returns

New technologies, an increased use of data, and more sophisticated infrastructure are leading the way to an improved shopping experience – but it's difficult, complex, and highly fragmented and there are issues to be solved throughout the purchase journey

Retail / eCommerce: A Massive Disruption Opportunity



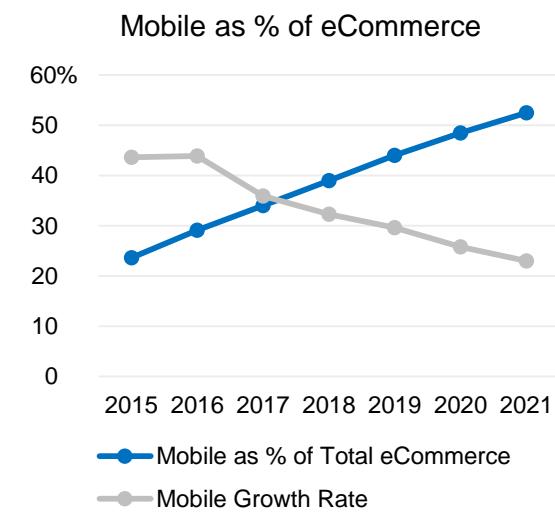
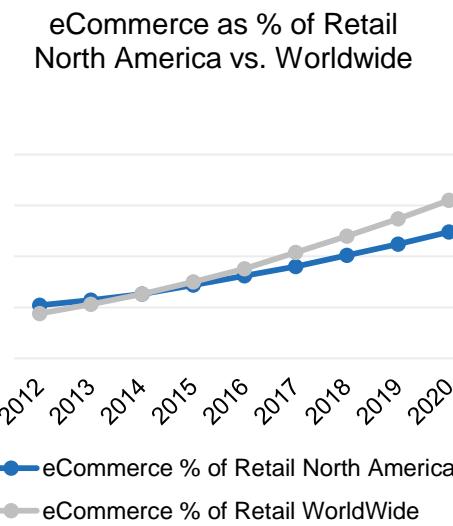
Retail is a \$23 trillion market worldwide (North America = 23%)

eCommerce is relatively small (8.8% of worldwide retail sales and 8.1% of North America retail sales) but it's THE key growth engine of the industry

- eCommerce revenues grew 16.1% in North America and 25.7% Worldwide vs. total retail industry growth of 2.8% in North America and 6.1% worldwide

Mobile is a big growth enabler for the industry, both in terms of online and in-app purchasing, and is increasingly seen as the “remote control” for the consumer omni-channel shopping experience

- Mobile is expected to be approximately 50% of all eCommerce sales by 2020



Amazon: The Retail Industry Juggernaut



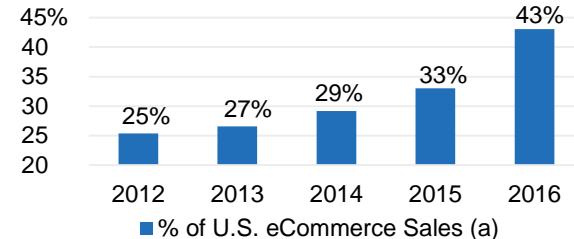
\$417 billion market value and \$26 billion in cash for investment

- Amazon has 300 million customers worldwide
- Unmatched brand awareness and customer loyalty
- Technology, data, innovation, and “customer first” mentality are embedded in the company’s culture
- Amazon Echo sold over four million units in 2016, a 400% increase from the previous year’s sales. The device was widely regarded by analysts as the most successful product offering of the holiday season
- According to Intelligent Retailer, over 52% of Americans go directly to Amazon when they shop online, up from approximately 30% just two years ago

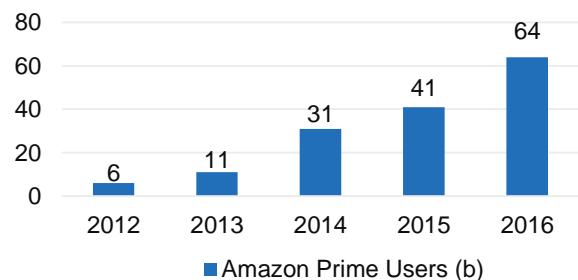
The company has been investing heavily in its infrastructure and shipping capabilities. Industry analysts believe that Amazon is building a delivery and fulfillment business for smaller 3rd party retailers, much the same way it has built a hugely successful Amazon Web Services business for 3rd parties

- Announced plan to invest \$1.5B in a new air cargo hub
- Leased a fleet of 20 Boeing 747's to augment the company's existing global shipping capacity
- Added 4,000 trailers to its fleet of delivery trucks
- Partnered with Flex, a freelance driver mobile app, to further diversify its shipping channels
- According to L2, approximately 44% of the U.S. population lives within 20 miles of an Amazon fulfillment center. This is up from just 7% in 2012

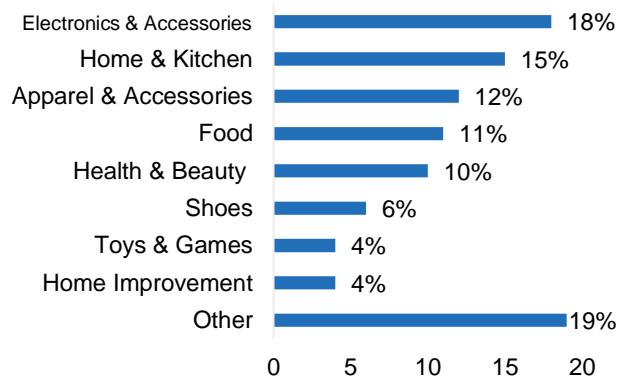
Amazon’s Share of U.S. eCommerce Sales Up: 10% in Last Year



Amazon Prime Memberships Have Been Growing at a Rapid Clip Since 2012 (mm)



Amazon’s Growth is Across All Vertical Categories (c)





Traditional retailers face significant challenges in today's market – problems that don't seem to be going away

- **Declining Foot Traffic** – Many consumers find it easier and more convenient to shop online than to travel to a physical brick-and-mortar store. Also, many stores carry the same products that a consumer can find online or in other stores. For example, over 75% of products sold in department stores today are NOT unique to that store
- **Expensive, Long Term Real Estate Commitment** – Most retailers have long-term lease commitments so they cannot efficiently close store locations in response to declining foot traffic
- **Product Pricing Pressures / More Limited Inventory** – The ability for consumers to efficiently compare prices online in real-time has led to “product pricing clarity”, making it harder for a retailer to charge anything but the lowest price available. Walmart taught customers to “expect low prices every day”. This pressure on pricing has led to declining margins and a need for more efficient, leaner inventory management
- **Complex, Outdated Back-Office Systems** – Consumers want targeted, personalized offers while many retailers’ operating systems are not equipped to offer that. Consumers are learning about products and comparing prices while in a retail store and many retailers cannot yet identify particular customers, make personalized offers, or check product inventory at other store locations
- **Consumers are “All Mobile, All the Time”** – They have many shopping “use cases” for their mobile devices but most retailers do not have the right capabilities in place to provide for these “use cases”

Traditional Retailers: Struggling for Survival



Traditional retailers know that a seamless omni-channel experience is at the core of what today's consumers want

- However, many traditional retailers suffer from depressed stock prices, operational challenges, and a lack of investment \$\$\$ to spend on digital and omni-channel customer experiences

According to a recent study by JDA Software...

There has been a significant deterioration in retailers' ability to handle omni-channel execution in 2017 compared to 2014



And 80% of retailers have not started implementation of digital transaction strategy



Key Disruption Enabler: Mobile – The “Remote Control” for Omni-Channel Shopping



Mobile has multiple in-store uses for consumers but most retailers are not ready Retailer capabilities are far behind consumer demand

- Only 33% of all U.S. retailers can order out-of-stock products via a mobile device
- Only 26% offer free Wi-Fi
- Only 12% can have customers scan products and have them shipped home

Consumer Use Cases for Mobile In-Store



Mobile POS technology can significantly impact a consumer's desire to shop in a particular store

- **73%** of consumers feel that retailers who offer in-store mobile technology provide superior customer service
- **64%** of consumers are more likely to shop at a retailer that offers in-store technology
- **65%** of consumers want to see in-store mobile technology that can order a product online if it is not available in the store
- **63%** of consumers prefer mobile POS to traditional cashier checkout with a further **72%** believing that mobile POS offers faster checkout



Millennials are an important enabler to the disruption in the retail industry

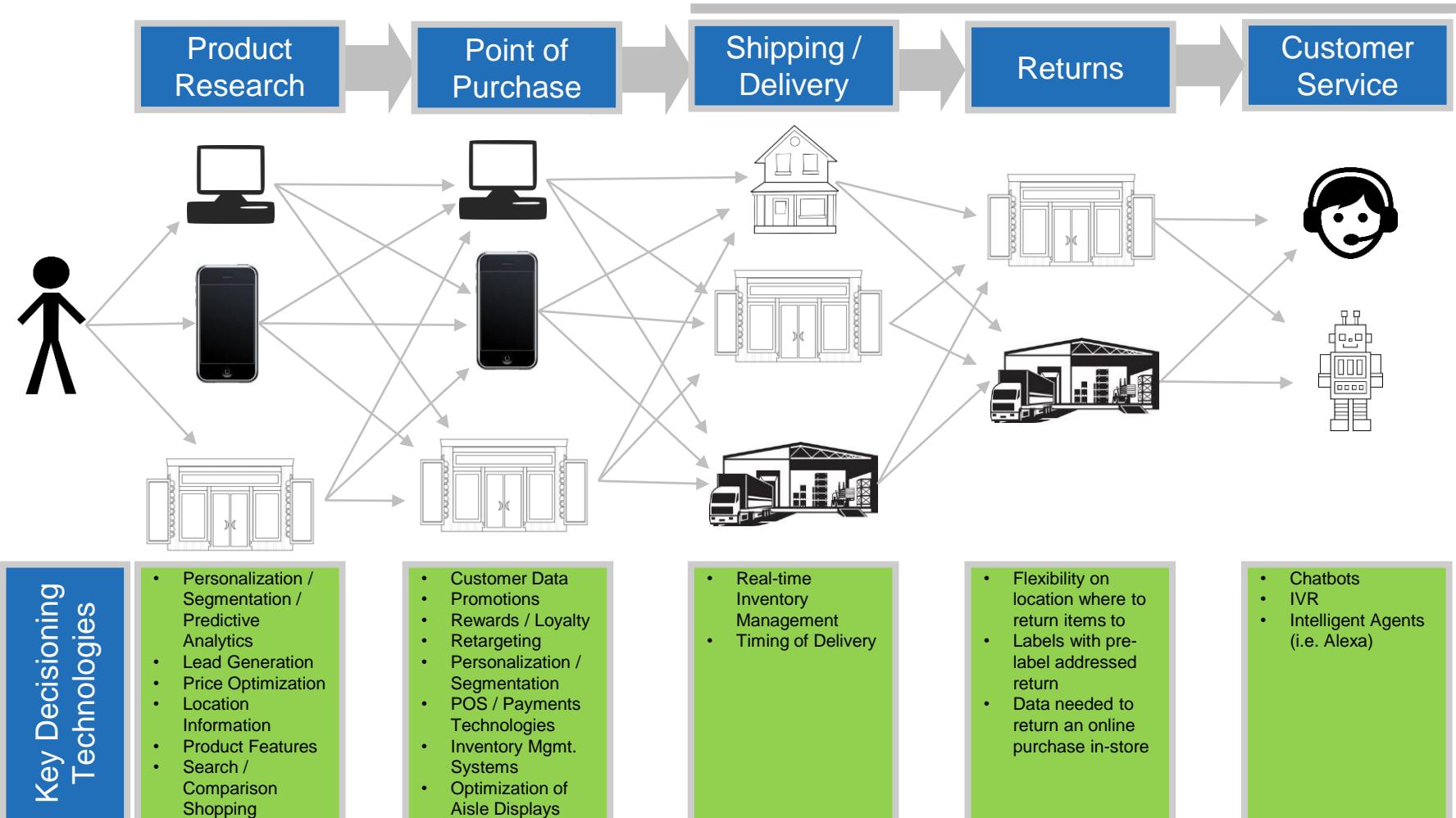
- At approximately 80 million, they are now the **largest segment of the US population ever** and their purchasing power is increasing
- They are the **first “native digital” consumers** – they are mobile, social, and tech-enabled, utilizing technology and digital tools to create their own paths to purchase
 - › They embrace technology, assuming it always works and has a key role in their paths to purchase
- They **embrace “all things new and digital”** and like to share their opinions on new products that they like with friends and peers
 - › According to Forbes.com, 70% of millennials are more excited about a decision they've made when their friends agree with them vs. 48% for non-millennials
- They want their shopping experiences to be **personalized, authentic, “real” experiences** – not simply completing a transaction
- They care about a **brand and a company's core values**. They will make purchase decisions to buy products to support causes they care about
 - › For example, according to Boston Consulting Group, millennials are twice as likely to care about whether food they eat is organic vs. non-millennials
 - › They also want to be “involved” with the brands they purchase and care about how brands may change over time
- They are **very price-sensitive** in their purchases. Almost 50% of them believe they will be worse off financially than their parents and many are debt-ridden from expensive costs of their education

Key Disruption Enabler: The Consumer's Dynamic Path to Purchase



Today's path to purchase is complex with multiple options and key technologies all along the way

Post Purchase Experience



A Unified, Personalized, Omni-Channel Purchase Journey: Ten Key Themes



Key Theme	Technology Challenges / Considerations
Omni-Channel Experience	<ul style="list-style-type: none">▪ Need for all customers' data to be integrated across channels▪ It's complicated! Forrester estimates that more than 50% of commerce sites will integrate technologies from more than 15 vendors to deliver a digital customer experience in 2018▪ Need for consistent customer experience across devices and online vs. in-store▪ Need for seamless, flexible purchase, delivery and return experience▪ Increasing use of augmented & virtual reality to stimulate online purchases vis-à-vis individual characteristics
Mobile as Key Consumer Research Tool & Growth Enabler	<ul style="list-style-type: none">▪ Mobile has broad use cases in retail – mobile websites, native apps, cross-channel shopping, in-store technologies (e.g. Wi-Fi)▪ According to a report by NewStore, 1/3 of all store associates now have access to a mobile device for clienteling▪ However, that same report said that only 22% of retailers offer shoppable mobile apps and only 38% offer in-store Wi-Fi▪ According to a Salesforce study, 38% of millennials researched a product online via their mobile device while they were in a store and 23% purchased the product online via their mobile device while in-store▪ A recent study by Cardfree found that consumers using the company's mobile order-ahead platform doubled their visit frequency up to the 6th visit when it stabilized at the higher (2X) level vs. non-mobile consumers
More Sophisticated Marketing / Communication Efforts and Increasing Use of Social Media	<ul style="list-style-type: none">▪ According to a study done by Salesforce, millennials are 3X more likely to use social media and mobile apps to research products they want to buy than their Baby Boomer counterparts▪ According to a Yes Lifecycle Marketing study, 38% of brands say they aren't using user-generated content today, but would like to do so in the upcoming year<ul style="list-style-type: none">➢ 49% of the brands surveyed said they think their communication efforts are "one size fits all" and 68% want to improve in 2017➢ 19% of those surveyed said they aren't using social media share buttons but want to in 2017➢ 46% of those surveyed said they aren't using dynamic offers but plan to do so in 2017

A Unified, Personalized, Omni-Channel Purchase Journey: Ten Key Themes (cont'd)



Key Theme	Technology Challenges / Considerations
Real-Time Price / Product Feature Comparison	<ul style="list-style-type: none">▪ Real-time price / promotion optimization has become a key strategic weapon for brands with significant financial and effectiveness implications▪ Forrester estimates that by 2018, 40% of all B2B commerce sites will use price optimization algorithms to dynamically calculate and deliver product pricing▪ Only 45% of retailers surveyed by NewStore displayed product ranking reviews on their mobile apps and websites▪ First Insight published a report called “Markdown Mania” that said retailers have created “sale fatigue” for consumers and that 91% of consumers would be upset at a retailer if they purchase a product and found it was cheaper at another location either online or at another store. Also, FI found that 70% of consumers expected 31% or more in markdowns during the 2016 holiday season
Personalized / Targeted Shopping Experience	<ul style="list-style-type: none">▪ Consumers are accustomed to personalized offers and product recommendations based on purchase history (e.g. Amazon experience)▪ According to a Salesforce study, 79% of shoppers like it when they receive a complementary product offer or promotion from a retailer based on their purchasing history▪ Forrester estimates that by 2020, smart personalization engines used to recognize consumer intent will enable digital businesses to increase their profits by up to 15%▪ Artificial Intelligence is increasingly being used to learn about consumer behavior<ul style="list-style-type: none">➢ A survey by Sailthru found that 66% of 200 retailers surveyed use Artificial Intelligence for marketing purposes. The most common applications are search (37%), product recommendations (33%), and programmable advertising and data science (26%)
Technology Enabled In-Store Experience	<ul style="list-style-type: none">▪ AmazonGo at the extreme - no human support - all self-serve and robot driven▪ Proliferation of location-based technologies - Beacons, Wi-Fi, aisle placement▪ Introduction of Augmented Reality and Virtual Reality (e.g. Virtual Fitting Rooms)

A Unified, Personalized, Omni-Channel Purchase Journey: Ten Key Themes (cont'd)



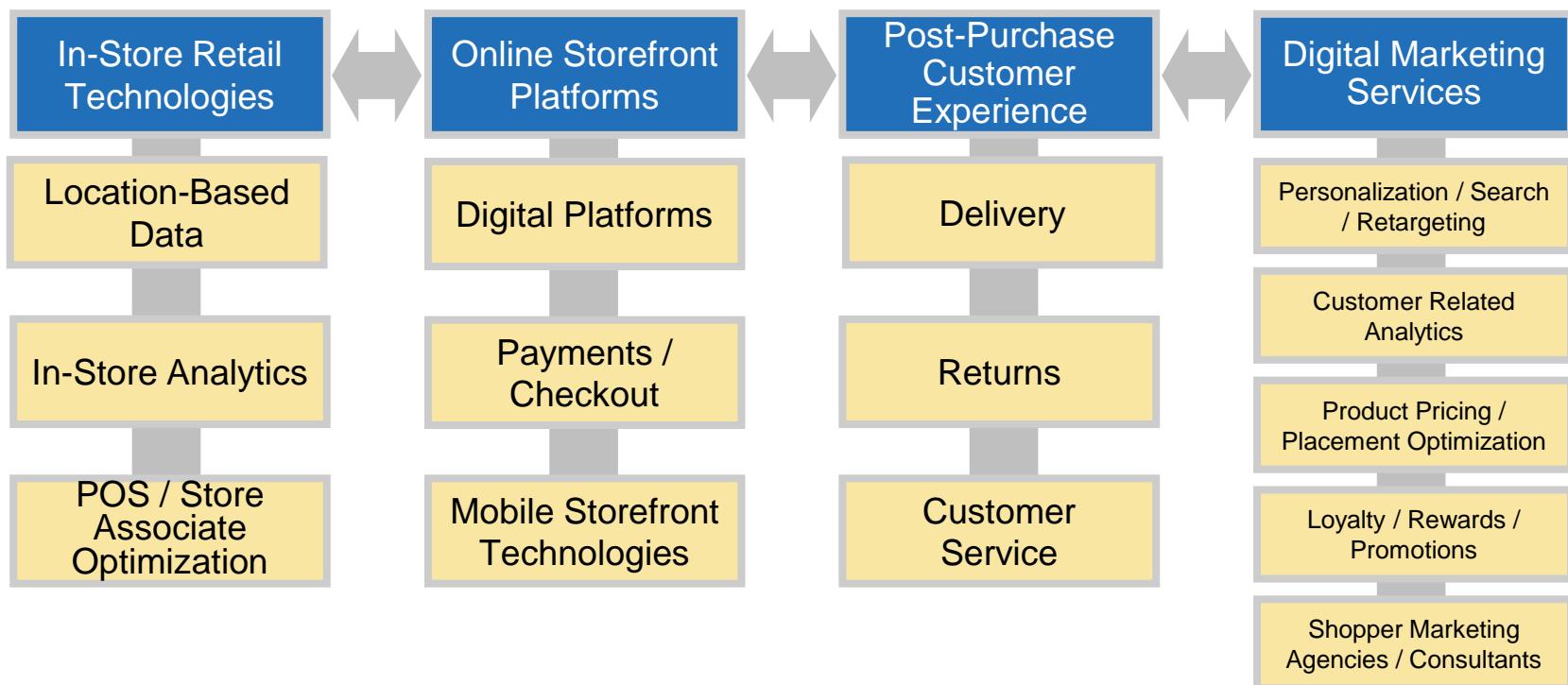
Key Theme	Technology Challenges / Considerations
Optimization of Inventory Management Systems	<ul style="list-style-type: none">▪ Inventory management can improve as retailers offer more flexible delivery options▪ According to the NewStore study, among the retailers that have native apps, only 24% display real-time inventory and only 22% of brands with mobile websites offer inventory visibility
Ease of POS Experience / Empowerment of Store Associates	<ul style="list-style-type: none">▪ Consumers want knowledgeable associates with real-time inventory and payment capability (e.g. Apple Store experience)▪ A March 2017 study by eMarketer found that 83% of respondents thought they were more knowledgeable than retail store associates, but 79% said that knowledgeable store associates are “important” or “very important” to their shopping experience▪ A NewStore study said that almost 2/3 of retailers surveyed gave sales associates visibility into a consumer’s past purchases both online and in-store<ul style="list-style-type: none">➢ An eMarketer study found that 72% of respondents who deal with a mobile enabled store associate had a better shopping experience▪ Many online purchase experiences are still very “clunky” – requiring over 20 fields to be filled in to complete the purchase▪ Self-checkout is in very early days – most penetrated in grocery▪ Internationalization of checkout capabilities is expected to get much more sophisticated, according to Forrester
Flexible Delivery and Returns	<ul style="list-style-type: none">▪ Increasing trend to buy online with flexible delivery either in-store or to the home▪ A recent survey by McKinsey found that 70% of respondents simply choose the cheapest shipping option when buying online▪ Amazon is driving a “war” in free shipping and shipping flexibility – its prime members now get two-day free shipping on more than 40m items (in comparison, Walmart offers free two-day shipping on only 2mm products priced over \$35)▪ Future of Drone Delivery?▪ Returns are an important financial consideration. The NRF estimates that 8% of all retail industry sales are returns and 3.5% of all returns are fraudulent
Superior Customer Service	<ul style="list-style-type: none">▪ Increased use of chatbots to recommend products▪ Increasing amount of post-purchase follow-up by store associates via email; good cross-sell upsell opportunity. This type of follow-up isn’t always viewed as favorable by consumers

Defining the Retail / eCommerce Technologies Universe



Today, the technologies and infrastructure behind the retail / eCommerce industry is quite broad and highly fragmented

- › There are lots of high quality, “niche” technology providers in the early stages of their growth curves
- › Some companies who serve traditional retailers (as opposed to eCommerce providers or brands) have struggled with long sales cycles from the traditional retailer customer (although use of these technologies is EXACTLY what traditional retailers need to survive!)



Retail / eCommerce Tech Private Company Universe



In-Store Retail Technologies

Location-Based Data

foursquare™



Gravy
ANALYTICS

PlaceIQ

VERVE.
LOCATION POWERED

Placed.

In-Store Analytics

aisle411.

brick stream™

DS-IQ™

euclid

RetailNext
Comprehensive In-Store Analytics

GoSpotCheck

PROFITECT

Quri

CATALINA

S

INTURN

Quantum Retail

Agilence

Point Inside

one
DOOR

ACOSTA

3VR

POS / Store
Associate
Optimization

SHOPKEEP
SMARTER BUSINESS

Revel
SYSTEMS

madmobile

arroweye®

lightspeed

Theatro

•boku

LAVU

Tabbedout
PAY YOUR TAB WITH YOUR PHONE

toast

Appetize

Upserve

TULIP RETAIL

touchbistro™

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Retail / eCommerce Tech Private Company Universe (Cont.)



Online Storefront Platforms

Platforms



Payments /
Checkout



Mobile Storefronts



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Retail / eCommerce Tech Private Company Universe (Cont.)



Post-Purchase Customer Experience

Delivery



Returns

(h.)



Happy Returns



Where End-to-End E-Commerce Begins™



Customer Service



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Retail / eCommerce Tech Private Company Universe (Cont.)



Digital Marketing Services

Personalization / Search / Retargeting



Customer Related Analytics



Product Pricing / Placement Optimization



Loyalty / Rewards / Promotions



Shopper Marketing Agencies / Consultants



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Retail / eCommerce Tech Public Company Universe



In-Store Retail Technologies



Online Storefront Platforms



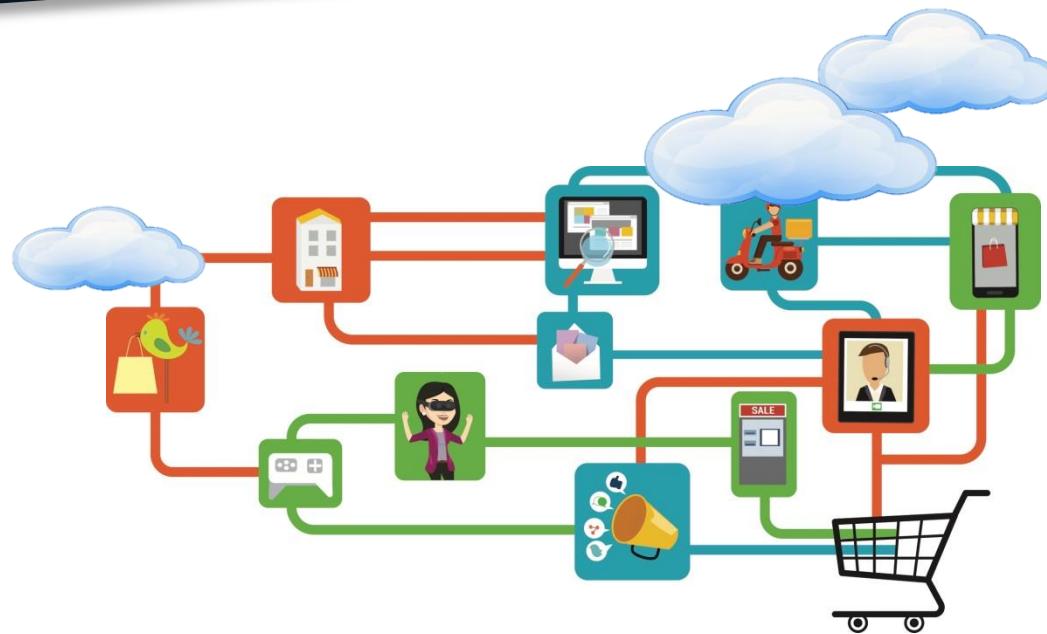
Post-Purchase Customer Experience



Digital Marketing Services



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II. M&A Transactions, VC/PE Investing, and IPO Activity

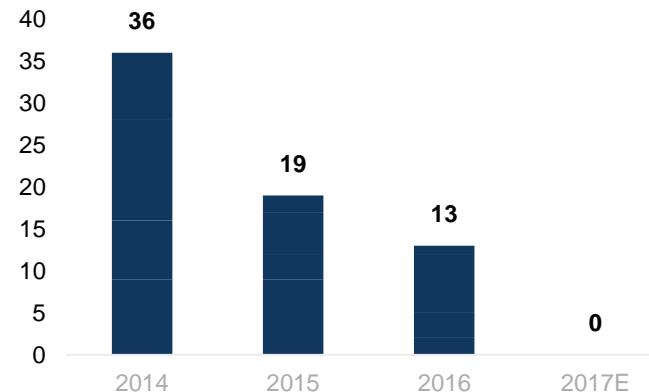
Summary M&A Activity in the U.S. & Canada (2014 to March 2017)



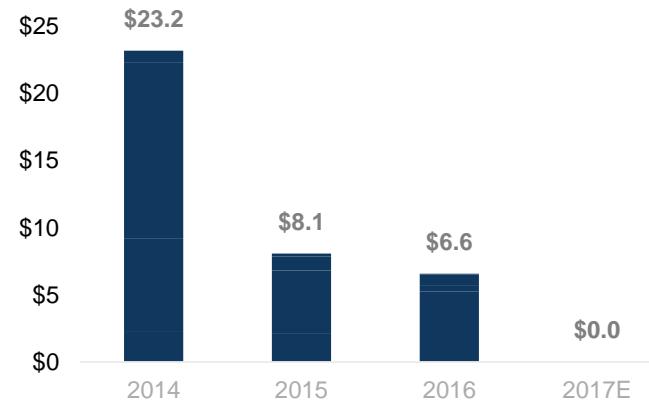
Highlights & Key Takeaways

- **Generally, there hasn't been a lot of M&A activity**
 - › It's still early days for eCommerce
 - › Retail / eCommerce technologies are still very "point solution" oriented and quite fragmented
 - › We expect to see much more activity over the next few years as the eCommerce industry grows
- **2014 was the most active year for M&A**
 - › Consolidation of credit card processors and POS systems and the large PE acquisitions of Advantage and Catalina Marketing led the activity
 - › Also, Oracle made a big data play with its \$1 billion+ acquisition of Datalogic
- **There were only three \$1 billion+ deals in 2015 and 2016**
 - › Salesforce entered the eCommerce business with its \$2.9 billion deal for Demandware in June, 2016
 - › The consolidation of credit card processors continued with the \$4.5 billion sale of Heartland Payments in 2015 and the \$2.3 billion sale of TransFirst in 2016
- **As of March, 2017 there were no disclosed M&A transactions above \$20M**

Total Number of M&A Transactions⁽¹⁾



Total M&A \$\$ Volume (\$B)⁽¹⁾



Source: CapIQ.

Note: Total Capital Raised for deals where disclosed.

(1) Limited to private placement transactions above \$20M in the U.S. & Canada.

Largest M&A Deals (2014 – March 2017)

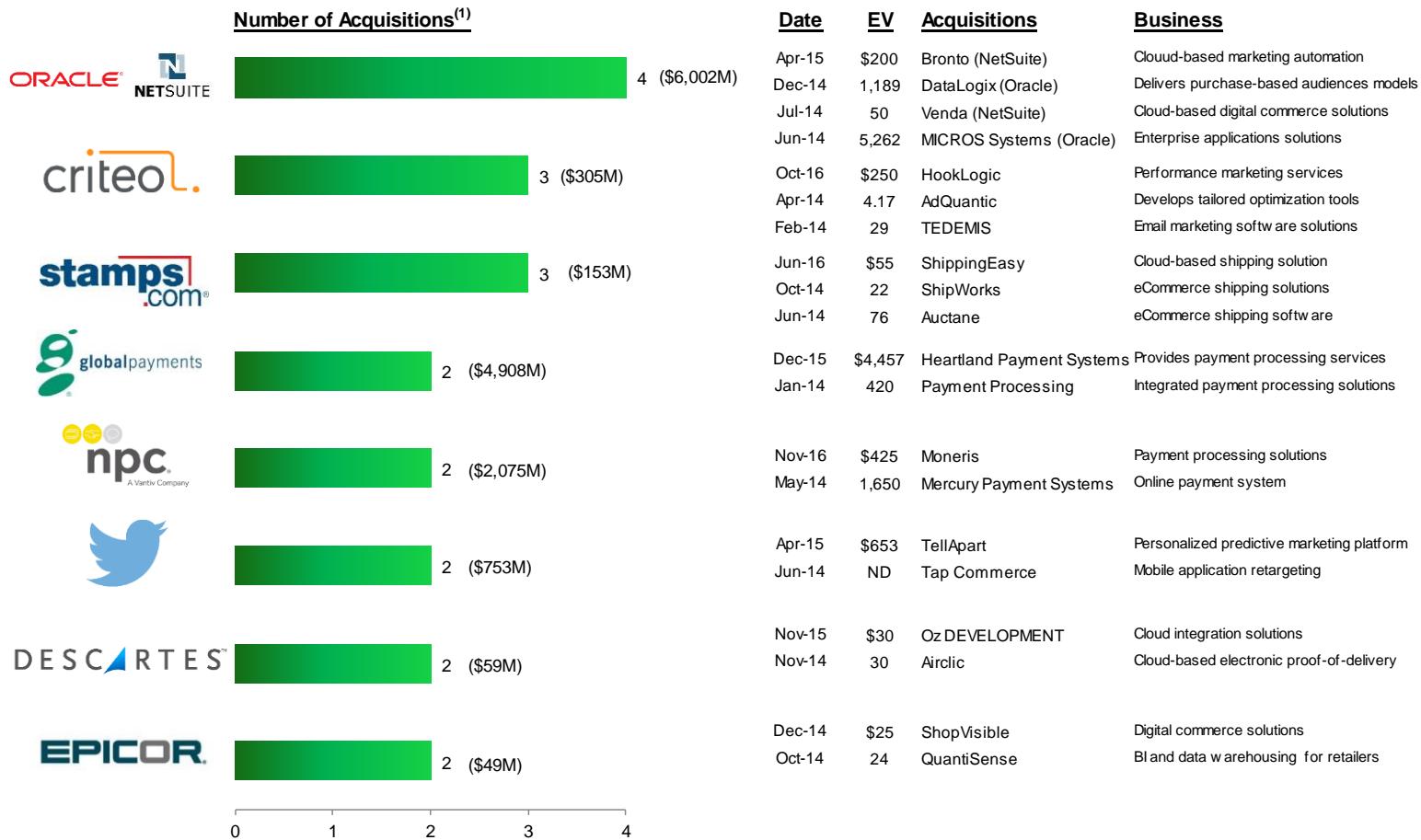


Date	Target	Acquirer	Sector	Target Business Description	Rationale	EV (\$M)	LTM Revs (\$M)	EV / LTM Revs
1. Jun-14	micros®	ORACLE®	In Store / POS	Provides point-of-sale (PoS) systems, e-commerce and transaction processing software for the retail, hospitality, entertainment and gaming sectors.	Oracle is betting it can leverage MICROS' relationships in the restaurant and hotel industries into expanded sales of its marketing, ERP and HCM software in those verticals - 451 Research	\$4,563	\$1,338	3.4x
2. Dec-15	Heartland	globalpayments	In Store / POS	Provides payments processing services, including credit card, retail, e-commerce and payroll processing	The combined entity will be firmly situated as a top-five player (by transaction volume) with a strong story to tell around integrated payments in the SMB sector. - 451 Research	4,488	2,588	1.7x
3. Jun-14	ADVANTAGE SOLUTIONS	CVC Capital Partners	Digital Mktg. / Agency	Provides sales and marketing services to consumer packaged goods industry	NM	4,200	ND	ND
4. Nov-14	Sapient	PUBLICIS GROUPE	Digital Mktg. / Agency	Provides online marketing campaign creation and management services, including social media and mobile marketing, as well as Web development and managed services.	Sapient is an integral part of Publicis transformation, with its unique combination of marketing, omni-channel commerce and consulting and its depth of technology - 451 Research	3,369	1,383	2.4x
5. Jun-16	demandware move faster. grow faster.	salesforce	Online Storefront Platforms / Digital Platforms	Provides enterprise cloud-based e-commerce SaaS for Web merchants and multi-channel online retailers	Demandware's commerce technology ensures that Salesforce can go beyond 'traditional' CRM to deliver a truly effective customer experience. - 451 Research	2,913	254	11.5x
6. Mar-14	CATALINA MARKETING	Berkshire Partners	Digital Mktg. / Promotions	Operates an online advertising network, provides digital coupons and also provides mobile marketing and digital marketing services based on consumer behavior for businesses.	NM	2,500	661	3.8x
7. Jan-16	TRANSFIRST® First In Secure Electronic Payments	TSYS®	In Store / POS	Provides transaction processing services and related EDI software for the healthcare, retail and utilities sectors and public sector agencies.	TransFirst significantly increases Total System Services scale and opportunity within the merchant space, and particularly the fast-growing small and medium-sized business segment. - 451 Research	2,329	1,543	1.5x
8. May-14	MERCURY®	npc A Vantiv Company	In Store / POS	Provides credit and debit-focused payment processing software that integrates with point of sale (POS) systems for businesses in North America.	The acquisition of Mercury accelerates Vantiv's growth in the integrated payments space and significantly increases Vantiv's penetration into high-growth channels. - 451 Research	1,650	237	7.0x
9. Dec-14	DATALOGIC	ORACLE	Digital Mktg / Customer Related Analytics	Provides online marketing data analytics SaaS that tracks and analyzes consumer spending both online and offline for the purpose of marketing campaign optimization.	Oracle is attempting to provide a single platform that can both aggregate data from its other SaaS platforms as well as provide structured access to third-party consumer information. - 451 Research	1,189	ND	ND
10. Sep-14	EBATES®	Rakuten	Loyalty / Rewards / Promotions	Provides online directories of digital coupons and promotional codes for consumers through www.ebates.com and other sites	The addition of Ebates boosts Rakuten's exposure outside of Japan – about twice the value of merchandise is sold through Ebates than all non-Japanese sales on Rakuten. - 451 Research	1,000	167	6.0x

Most Active Acquirers (2014 – March 2017)



- There is a broad variety of acquirers in the market
- The most active acquisition sectors have been credit card processing and fulfillment / shipping



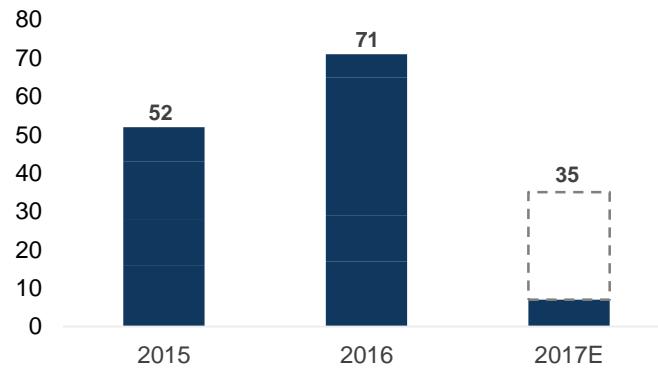
Summary Private Placement Activity in the U.S. & Canada (2015 – March 2017)



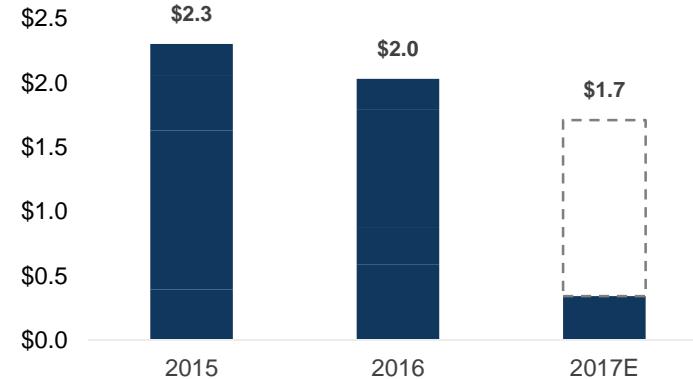
Highlights & Key Takeaways

- **Private placement deal activity was relatively flat between 2015 - 2016**
 - › Consumer transaction company NCR was the largest fundraiser with the \$820M raised from Blackstone in November 2015
 - › Other notable transactions includes the \$100M raised by Avalara in Sep-2016, the \$140M Postmates raised in Oct-2016, and the \$250M raised by Magento in Jan-2017
- **Back-end eCommerce has averaged ~\$2 billion in capital raised per annum over the last 27 months**
 - › During that span, a total of 7 companies have raised \$100M or more (the four referenced above as well as Payoneer, Medallia, and RetailNext)
 - › Most of the larger in-store private placements took place in 2015, whereas most of the larger digital marketing transactions occurred in 2016
 - › The majority of private placements fell in the \$30 - \$50M range, totaling 29 since 2015

Total Number of Private Placement Transactions⁽¹⁾



Total Capital Raised (\$B)⁽¹⁾



Source: CapIQ.

Note: Total Capital Raised for deals where disclosed.

(1) Limited to private placement transactions above \$10M in the U.S. & Canada.

Top 10 by Category - Amount Raised



In-Store Retail Technologies

Nov-15 -	NCR	- \$820M
Apr-15 -	RETAILNEXT	- \$125M
Aug-15 -	lightspeed	- \$61M
Jul-15 -	SHOPKEEP	- \$60M
Oct-16 -	FOURSQUARE	- \$52M
Dec-15 -	factual	- \$35M
Dec-15 -	toast	- \$30M
Jul-15 -	TANGO	- \$30M
Jan-16 -	PlaceIQ	- \$25M
Jun-15 -	Tabbedout PAY YOUR TAB WITH YOUR PHONE	- \$24M

Online Storefront Platforms

Jan-17 -	Magento™ Open Source eCommerce	- \$250M
Oct-16 -	Payoneer®	- \$180M
Sep-16 -	Avalara	- \$100M
Jan-15 -	volusion™	- \$55M
Dec-15 -	PHUNWARE	- \$41M
May-15 -	wepay	- \$40M
Sep-15 -	NEWSTORE	- \$38M
Jun-16 -	cardconnect	- \$38M
Mar-15 -	booker Build your business better.	- \$35M
Oct-16 -	ThreatMetrix	- \$30M

Post Purchase / Customer Experience

Oct-16 -	POSTMATES	- \$140M
Jun-15 -	POSTMATES	- \$80M
Jul-15 -	OPTORO	- \$40M
Jan-15 -	POSTMATES	- \$35M
Dec-16 -	OPTORO	- \$30M
Jul-15 -	RideCell	- \$28M
Jun-16 -	Gladly	- \$27M
Feb-17 -	UShip	- \$25M
Jun-16 -	narvar	- \$23M
Apr-15 -	LOOP COMMERCE	- \$16M

Digital Marketing Services

Jul-15 -	MEDALLIA	- \$150M
Apr-16 -	flipp	- \$61M
Jan-16 -	bloomreach	- \$56M
Apr-16 -	CrownPeak WEB EXPERIENCE MANAGEMENT	- \$50M
Jan-16 -	FIVESTARS	- \$50M
Nov-16 -	xAd	- \$43M
Mar-15 -	NETBASE	- \$33M
Feb-16 -	QUANTIFIIND	- \$30M
Nov-16 -	WOMPLY	- \$30M
Oct-16 -	360insights	- \$30M

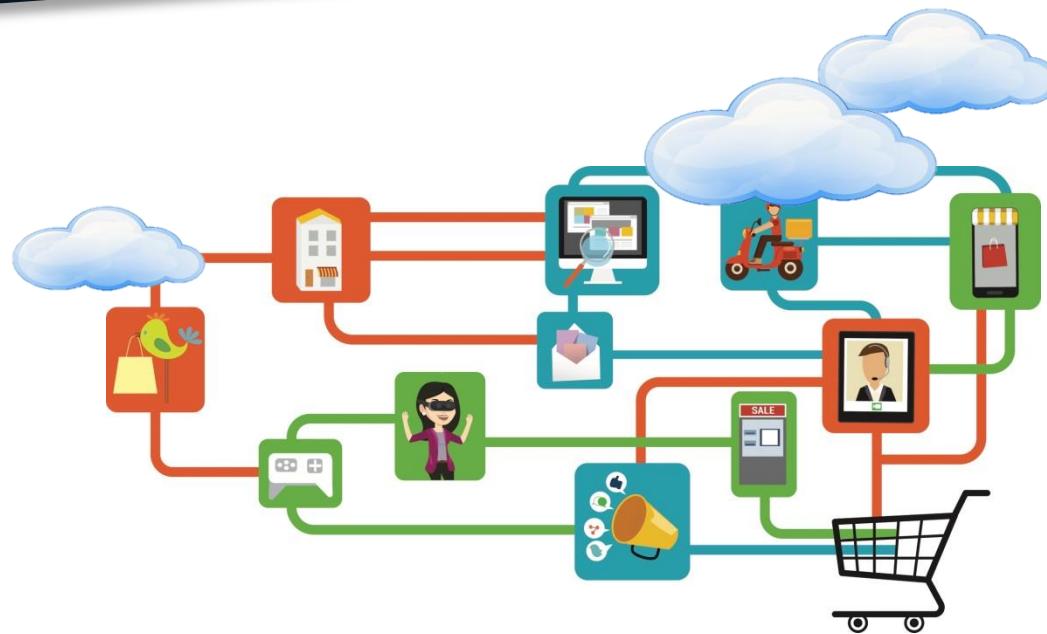
Retail and Commerce Technology IPOs (2014 – March 2017)



Company	Subsector	Current EV (\$M)	Current PPS ⁽¹⁾	First Day Close PPS	IPO PPS	After Market Performance ⁽²⁾
2016						
CommerceHub 	Post-Purchase Customer Experience	\$690	\$15.59	\$13.74	\$12.99	13%
2015						
shopify 	Digital Platforms	\$5,833	\$69.05	\$25.68	\$17.00	169%
Square 	Digital Platforms	\$5,848	\$17.32	\$13.07	\$9.00	33%
worldpay 	In-Store Retail Technologies	\$8,983	\$3.64	\$4.08	\$3.69	(11%)
2014						
Amber Road  POWERING GLOBAL TRADE	Digital Platforms	\$213	\$7.60	\$17.00	\$13.00	(55%)
zendesk	Post-Purchase Customer Experience	\$2,448	\$27.55	\$13.43	\$9.00	105%
Median		\$4,141	\$16.5	\$13.6	\$11.0	23%

(1) Current Price Per Share calculated as of market close on 3/31/17

(2) Calculated based on First Day Close Price Per Share and Current Price Per Share



III. Appendix



In-Store Retail Technologies

Online Storefront Platforms

Post-Purchase Customer Experience

Digital Marketing Services

In-Store Retail Technologies Private Company Landscape



Location-Based Data

Company	\$ Raised (\$M)	Company Description
1. Factual	\$35	Provides location based data for mobile advertising, developers, and enterprise solutions
1. Foursquare	\$251	Provides a location based social network
2. Gravy	\$31	Provides insights, analytics, and segmentation solution to unlock the “what & why” of customers’ local behaviors
3. MomentFeed	\$16	Offers location-based marketing solutions
4. Placed	\$13	Provides location-driven insights and mobile advertising intelligence
5. PlaceIQ	\$28	Provides location intelligence services for advertisers to reach mobile brand audiences for marketing activities
6. Tango Analytics	\$30	Cloud-based geospatial applications, and customer and location predictive analytics for retail store analytics
7. Verve Wireless	\$34	Operates a location-based advertising platform that connects mobile ads with in-store sales

In-Store Analytics

1. 3VR	\$61	Provides video business intelligence solutions for real-time security and customer insights
2. Acosta	\$0	Provides outsourced sales and marketing services to consumer packaged goods companies and retailers
3. Agilence	\$21	Provides business intelligence solutions for retail loss prevention and operation
4. Aisle411	\$8	Operates a mobile retail navigation and social shopping platform
5. BevSpot	\$11	Develops an online platform for retailers to manage inventory
6. Catalina Marketing	\$0	Provides personalized digital media solutions for the retail industry
7. DS-IQ	\$0	Provides shopper marketing solutions that target, activate, & optimize campaigns
8. Euclid	\$44	Delivers actionable shopper insights to brick and mortar retailers
9. GoSpotCheck	\$24	Provides software as a service (SaaS) for field-based teams to streamline their surveys, audits, and reports
10. One Door	\$3	Provides software-as-a-service based retail solutions for merchandising, communication, and in-store execution
11. Point Inside	\$5	Enables brick and mortar retailers to engage with mobile customers along their purchase path
12. Profitect	\$14	Offers a suite of modules that integrate and summarize in-store sales data with little IT involvement
13. Quri	\$31	Provides benchmarking and tracking system for in-store promotion initiatives
14. RetailNext	\$184	Develops software that enables the collection & visualization of data about in-store customer engagement
15. Smart SKU	\$18	Develops software that enables brands to liquidate excess inventory
16. Swirl	\$32	Operates an in-store mobile marketing platform

Selection criteria based on size and publicly available information.

Sources: Company filings, CapIQ, and Wall Street research.

In-Store Retail Technologies Private Company Landscape (cont'd)



POS / Store Associate Optimization

Company	\$ Raised (\$M)	Company Description
1. Appetize	\$20	Provides point of sale, mobile ordering, and order management solutions for live events
2. ArrowEye Solutions	\$52	Develops payment card programs for financial services and retail customers
3. Boku	\$91	Provides a turn-key payment panel that can be mounted to any existing mobile shopping platform
4. Dream Payments	\$10	Provides a cloud based mobile point of sale solution
5. Index	\$19	Develops web based mobile and point of sale software for brick-and-mortar retailers
6. Lavu	\$15	Provides mobile and cloud-based iPad point of sale systems for restaurants and bars
7. Lightspeed POS	\$126	Develops point of sale systems and eCommerce platform for merchants and restaurants
8. Mad Mobile	\$0	Provides a mobile retail platform with POS capabilities and personalization features
9. NCR	\$820	Provides omni-channel technology solutions that enable businesses connect, interact, and transact with customers
10. Revel Systems	\$149	Develops cloud-based and iPad point of sale (POS) solutions for single and multi location businesses
11. Shopkeep	\$97	Provides a cloud-based iPod POS system for restaurants and retail stores
12. TabbedOut	\$45	Mobile payment application provider allowing users to view and pay their bar and restaurant tabs from their phones
13. Theatro	\$45	Develops and markets business applications for wearable computing devices for the indoor mobile workforce
14. Toast	\$33	Develops POS & restaurant management software for online ordering, delivery tracking, & enterprise reporting
15. TouchBistro	\$25	Develops iPad point of sale solutions for restaurants, cafes, bars, food trucks, and other food and drink venues
16. Tulip Retail	\$2	Provides a mobile platform for retail sales associates to help them deliver breakthrough customer service
17. Upserve	\$40	Provides a restaurant management platform

Selection criteria based on size and publicly available information.

Sources: Company filings, CapIQ, and Wall Street research.

In-Store Retail Technologies Summary M&A Transactions



Precedent M&A Transactions from 2014 to March 2017⁽¹⁾

Date	Target	Acquirer	Business Description	EV (\$M)	LTM		EV / LTM		Subcategory
					Revs	Revs	Revs	LTM	
1. 11/10/16	Moneris Solutions	NPC	Provides electronic payments processing solutions to merchants	\$425	ND	ND	ND	ND	POS / Store Associate Optimization
2. 7/11/16	Starmount	Infor	Develops in-store and online shopping solutions for the retail industry	ND	ND	ND	ND	ND	POS
3. 5/31/16	Harbortouch Payments	Searchlight Capital	Develops and provides point of sale systems for businesses	\$0	ND	ND	ND	ND	POS / Store Associate Optimization
4. 12/22/15	ShopperTrak	Tyco International	Provides consumer behavior insights and location-based analytics to improve retail profitability	\$175	\$75	2.3x	ND	ND	Location Based Data
5. 12/15/15	Heartland Payments	Global Payments	Provides payment processing services to small to mid-sized merchants and network	\$4,488	\$2,588	1.7x	ND	ND	POS / Store Associate Optimization
6. 4/22/15	NexTable	Zomato Media	Provides a cloud based reservation and table management system for the iPad	\$52	ND	ND	ND	ND	In-Store Analytics
2. 1/26/16	TransFirst	Total System Services	Provides payment transaction processing services and payment enabling technologies to small to medium-sized merchants	\$2,329	\$1,543	1.5x	ND	ND	eCommerce Payments / Checkout
7. 10/31/14	XPIENT Solutions	Heartland Payments	Develops point of sale and enterprise management software solutions for quick service restaurant	\$30	ND	ND	ND	ND	POS / Store Associate Optimization
8. 10/20/14	QuantiSense	Epicor Software	Provides analytics data warehousing solutions for retailers	\$24	ND	ND	ND	ND	In-Store Analytics
9. 8/4/14	Phoenix Payments	American Bancard	Provides payment processing services for merchants	\$50	ND	ND	ND	ND	POS / Store Associate Optimization
10. 6/23/14	MICROS Systems	Oracle	Designs and manufactures enterprise application solutions for consumer industries	\$4,563	\$1,338	3.4x	ND	ND	POS / Store Associate Optimization
11. 5/12/14	Mercury Payments	NPC	Provides payment technology services for small and medium sized businesses	\$1,650	\$237	7.0x	ND	ND	POS / Store Associate Optimization
12. 2/20/14	Central Payment	TSYS	Offers transaction processing services and social marketing software to businesses	\$250	ND	ND	ND	ND	POS / Store Associate Optimization
13. 1/24/14	Payment Processing	Global Payments	Provides integrated payment processing solutions to software companies and merchants	\$420	ND	ND	ND	ND	POS / Store Associate Optimization

(1) Limited to disclosed transactions above \$20M in the US and Canada.

Sources: 451 Research, Company filings, CapIQ.

In-Store Retail Technologies Private Company Financings



Private Company Financings >=\$10M from 2015 to March 2017⁽¹⁾

Date	Target	Investors	Target Business Description	Subcategory	Check Size (\$M)
1. 3/8/17	Dream Payments	Connecticut Innovations; FairVentures; Real Ventures	Provides a cloud based mobile point of sale solution	POS / Store Associate Optimization	\$10.0
2. 2/23/17	MomentFeed	DFJ Frontier; Level Equity Management; Signia Venture Partners;	Offers location-based marketing solutions	In-Store / Location Based Technologies	\$16.3
3. 12/14/16	Appetize	Shamrock Capital Advisors; Oak View Group	Provides point of sale, mobile ordering, and order management solutions for live events	POS / Store Associate Optimization	\$20.0
4. 10/26/16	Foursquare Labs	Draper Fisher Jurvetson; Morgan Stanley	Develops mobile applications that enable users to find places to eat, drink, or shop	Location-Based Data	\$52.0
5. 10/13/16	TouchBistro	BDC Venture Capital; Kensington Capital Partners; Relay	Develops iPad point of sale solutions for food and drink venues	POS / Store Associate Optimization	\$13.0
6. 9/6/16	InContext Solutions	Beringea; Intel Capital; Plymouth Venture Partners	Provides a cloud-based virtual reality shopping platform that offers critical insights for retailers	In - Store Analytics	\$15.2
7. 8/26/16	GoSpotCheck	Insight Venture Partners; Point Nine Capital	Provides (SaaS) for field-based teams to streamline their surveys, audits, and reports	In-Store Analytics	\$16.6
8. 6/30/16	Index	General Catalyst Partners	Develops web based mobile and point of sale software for brick-and-mortar retailers	POS / Store Associate Optimization	\$19.0
9. 6/17/16	BevSpot	Bain Capital Ventures	Develops an online platform for retailers to manage inventory	In-store Analytics	\$11.0
10. 4/1/16	Splitit USA	Aurum	Provides interest-free installment payments technology solutions	POS / Store Associate Optimization	\$22.5
11. 2/3/16	Geofeedia	Silversmith Capital Partners	Develops a location-based intelligence platform that analyzes real-time social media conversations	Location Based Data	\$17.1
12. 1/14/16	PlacelQ	Harmony Partners	Offers a technology platform that analyzes various data points about location and time	Location Based Data	\$25.0
13. 1/7/16	NOMi	Horizon Technology	Develops retail in-store analytics software, platform, and sensors	In-store Analytics	\$15.0
14. 12/23/15	Toast	Besseme; GV	Develops an Android point of sale and restaurant management software	POS / Store Associate Optimization	\$30.0
15. 12/10/15	Factual	Upfront; Index Ventures; Miramar; Andreessen Horowitz; Heritage	Provides location based data for mobile advertising, developers, and enterprise solutions	In-Store / Location Based Technologies	\$35.0
16. 11/11/15	NCR	Blackstone	Provides solutions that enable businesses connect with their customers worldwide	POS / Store Associate Optimization	\$820.0
17. 10/14/15	Quri	Matrix Partners; Catamount Ventures ManagementSimon Equity	Provides a Web application that helps businesses monitor their products and promotions	In-store Analytics	\$17.0

(1) Limited to disclosed transactions above \$10M in the US and Canada.

Sources: CapIQ, and Wall Street research.

In-Store Retail Technologies Private Company Financings (cont'd)



Private Company Financings >=\$10M from 2015 to March 2017⁽¹⁾

	Date	Target	Investors	Target Business Description	Subcategory	Check Size (\$M)
18.	10/14/15	Quri	Matrix Partners; Catamount Ventures Management; Simon Equity	Provides a Web application that helps businesses monitor their products and promotions	In-store Analytics	\$17.0
19.	8/13/15	Lightspeed POS	Accel; Caisse de dépôt et placement du Québec; iNovia Capital	Develops point of sale systems and eCommerce platform for merchants and restaurants	POS / Store Associate Optimization	\$61.0
20.	7/27/15	ShopKeep	Activant Capital	Provides point of sale hardware, cloud-based software, and analytics and payment processing	POS / Store Associate Optimization	\$60.0
21.	7/14/15	Tango Analytics	Frontier Capital	Offers cloud-based customer and location predictive analytics for retail store analytics	In-store Analytics	\$30.0
22.	6/4/15	ATX Innovation	NEA; Wellington Management; Morgan Creek Capital Management	Develops a mobile application that allows users to pay their bar and restaurant tabs from their phones	POS / Store Associate Optimization	\$23.5
23.	6/4/15	Lavu	Aldrich Capital Partners	Provides mobile and iPad point of sale systems for restaurants, bars and quick serve businesses	POS / Store Associate Optimization	\$15.0
24.	5/27/15	Payfirma	Dundee Capital Markets	Payfirma Corporation designs and develops mobile payment processing solutions	POS / Store Associate Optimization	\$10.4
25.	5/19/15	Splitit USA	Simpel Management	Provides interest-free installment payments technology solutions.	POS / Store Associate Optimization	\$10.0
26.	4/10/15	RetailNext	August; Siguler Guff; StarVest Partners; QUALCOMM	Provides real-time analytics that enable retailers to collect, analyze, and visualize in-store data	In-store Analytics	\$125.0

(1) Limited to disclosed transactions above \$10M in the US and Canada.
Sources: CapIQ, and Wall Street research.

In-Store Retail Technologies Public Company Landscape



(\$US in millions)

Company	Enterprise Value(b) (c)	1 Year Stock Performance	Market Data				Operating Data (a)				2016 Gross Margin	2016 Op. Margin(d)
			EV / Rev 2016A	EV / EBITDA 2016A	Revenue 2017E	2016A	EBITDA	2016A	Rev Growth 17E/16A			
1. ACI Worldwide	\$3,196	5%	3.2x	27.0x	\$1,017	\$1,006	\$252	\$119	1%	56%	7%	
2. Blackhawk Network	\$1,840	19%	1.0x	12.5x	\$2,216	\$1,900	\$238	\$147	17%	25%	2%	
3. Euronet	\$4,348	16%	2.2x	13.2x	\$2,125	\$1,959	\$396	\$330	9%	40%	13%	
4. First Data Corp	\$35,312	24%	4.5x	13.3x	\$11,891	\$7,839	\$3,006	\$2,665	52%	59%	21%	
5. Fiserv	\$29,003	13%	5.3x	16.9x	\$5,766	\$5,505	\$2,044	\$1,720	5%	46%	26%	
6. Global Payments	\$16,120	29%	4.3x	16.3x	\$3,424	\$3,776	\$1,104	\$989	(9%)	50%	15%	
7. Green Dot	\$1,012	45%	1.4x	10.3x	\$823	\$719	\$188	\$98	14%	85%	8%	
8. NCR Corporation	\$9,041	54%	1.4x	10.5x	\$6,680	\$6,543	\$1,163	\$858	2%	27%	10%	
9. ScanSource	\$1,088	(2%)	0.3x	10.1x	\$3,622	\$3,513	\$134	\$107	3%	10%	2%	
10. Total Systems	\$12,765	14%	3.1x	14.9x	\$4,810	\$4,170	\$1,150	\$854	15%	28%	14%	
11. Vantiv	\$13,794	19%	3.9x	16.2x	\$2,107	\$3,579	\$999	\$851	(41%)	53%	16%	
12. Verifone	\$2,885	(34%)	1.5x	13.1x	\$1,932	\$1,932	\$306	\$221	(0%)	39%	2%	
13. Worldpay	\$9,112	(6%)	8.1x	15.8x	\$1,570	\$1,124	\$640	\$577	40%	88%	30%	
Median	\$9,041	16%	3.1x	13.3x	\$2,216	\$3,513	\$640	\$577	5%	46%	13%	

Selection criteria based on size and publicly available information.
 Sources: Company filings, CapIQ, and Wall Street research.



In-Store Retail Technologies

Online Storefront Platforms

Post-Purchase Customer Experience

Digital Marketing Services

Online Storefront Platforms Private Company Landscape



Platforms

Company	\$ Raised (\$M)	Company Description
1. B12	\$12	Develops and operates a human-assisted artificial intelligence platform
1. BigCommerce	\$155	Operates e-commerce platform to manage an online store, process orders, and sell products online
2. Booker Software	\$94	Develops a cloud-based service commerce platform that enables service businesses to sell their services online
3. BrandShop	ND	Provides digital commerce solutions for Fortune 1000 companies
4. Celect	\$15	Provides a predictive retail analytics software as a service
5. Elastic Path	\$24	Provides enterprise commerce software and content management platform solutions
6. ezCater	\$84	Provides online catering ordering solutions
7. Fluid	\$24	Provides ecommerce Web design/on-demand visual merchandising solutions
8. G2 Web Services	ND	Offers programs that help identify mal-content, illegal transactions, and other misuses of the brand
9. InContext Solutions	\$40	Provides a cloud-based virtual reality shopping and retail platform
10. Insite Software	\$17	Provides business-to-business (B2B) and business-to-consumer platforms and shipping solutions
11. Kinnek	\$46	Operates an online platform that enables small businesses to manage inventory and make predictive purchases
12. Magento	\$250	Develops and offers eCommerce software and eCommerce platform solutions
13. Main Street Hub	\$25	Develops and operates an online marketing platform
14. Orkestra	\$20	Provides a Commerce Orchestration platform for digital commerce and content management applications
15. Sift Science	\$52	Operates an anti-fraud machine learning platform for the ecommerce, digital goods, Travel, and SaaS sectors
16. Signifyd	\$39	Helps e-commerce businesses to control fraud
17. Soldsie	\$5	Develops and provides an e-commerce tool for business owners and retailers
18. Switchfly	\$34	Provides SaaS platform for travel commerce and loyalty point redemption
19. Symphony Commerce	\$52	Provides customizable online storefront platforms for retailers and freelance designers
20. Thing Daemon	\$20	Operates an online platform that enables to discover, collect, and buy goods
21. Volusion	\$55	Provides ecommerce software and services for businesses ranging from startups to large enterprises
22. Weebly	\$36	Provides online Website creation services

Mobile Storefronts

1. Branding Brand	\$24	Develops mobile Web sites and applications for various Internet retailers
2. Button	\$20	Provides mobile customer acquisition, engagement, and monetization solutions
3. CloudCraze	\$20	Develops and delivers enterprise-class B2B and B2C cross-channel eCommerce solutions
4. Jello Labs	\$33	Focuses on building mobile commerce applications
5. NewStore	\$50	Offers mobile retail platform that boosts conversion, engagement, fulfillment, and integration
6. Phunware	\$83	Provides a platform to engage, manage and monetize users via mobile
7. PredictSpring	\$13	Develops a mobile commerce platform that allows retailers to build and launch mobile apps

Selection criteria based on size and publicly available information.

Sources: Company filings, CapIQ, and Wall Street research.

Online Storefront Platforms Private Company Landscape (cont'd)



Payments / Checkout

Company	\$ Raised (\$M)	Company Description
1. 2Checkout	\$60	Offers online payment technology
2. Avalara	\$100	Provides a cloud-based software platform that provides a suite of sales solutions
3. Billeo	\$15	Provides 2-click ecommerce online checkout capabilities throughout the online shopping experience
4. Bluefin Payment	\$33	Provides secure payment technology
5. BlueSnap	\$68	Provides payment gateways for eCommerce, Web and Mobile Development
6. CardConnect	\$38	Provides payment processing and technology solutions
7. CARDFREE	\$14	Provides a mobile payment platform
8. Coin	\$118	Offers a connected device that stores multiple accounts and information of swipeable cards in one place
9. Credorax	\$80	Provides online payment processing, credit card acquiring, and fraud protection services
10. Dwolla	\$39	Provides an ecommerce PaaS for clients that includes API documentation and data analytics capabilities
11. EC Payments	\$0	Provides a suite of Apps designed to facilitate electronic payments
12. FreedomPay	\$23	Helps merchants solve complex payment environments
13. IFAN Financial	\$10	Designs, develops, and distributes software to enable mobile payments
14. Ingo Money	\$32	Provides a check-verification and payment processing mobile application
15. Loop Commerce	\$29	Operates an online shopping portal
16. Minted	\$87	Operates a design marketplace that sources creative content
17. Mozido	\$339	Provides a mobile billing payments application for consumers
18. Net Element	\$15	Global payments-as-a-service company
19. Olo	\$62	Provides managed Software-as-a-Service platform for multi-unit restaurants of various locations
20. Payfirma	\$13	Designs and develops mobile payment processing solutions
21. Payoneer	\$218	Operates as an online payments company with cross-border payments platform that empowers global commerce
22. PayToo	\$10	Develops mobile phone solutions, VoIP, prepaid card, and e-commerce payment transaction solutions
23. Plastic	\$0	Designs and develops a digital wallet and mobile payment device
24. Plastiq	\$21	Provides online payment service enabling users to make payments, regardless of recipient acceptance
25. Saftpay	\$38	Operates a non-card-based network payment technology platform
26. SecureKey Technologies	\$21	Develops platform-as-a-service based hardware and software solutions
27. Segovia Technology	\$14	Operates an online platform to deliver critical payments
28. ThreatMetricx	\$93	Provides context-based online business security, fraud prevention, and authentication solutions
29. Transactis	\$70	Develops and provides Software-as-a-Service based electronic billing and payment software solution
30. WePay	\$74	Provides online payment gateways and customized risk management systems
31. Yapstone	\$75	Provides an electronic payments platform for electronic payments for international marketplaces

Selection criteria based on size and publicly available information.

Sources: Company filings, CapIQ, and Wall Street research.

Online Storefront Platforms Summary M&A Transactions



Precedent M&A Transactions from 2014 to March 2017⁽¹⁾

Date	Target	Acquirer	Business Description	EV (\$M)	LTM		Subcategory
					Revs	EV / LTM Revs	
1. 6/1/16	Demandware	Salesforce	Provides a robust suite of cloud based commerce solutions that enable customers to establish and execute complex digital commerce strategies	\$2,913	\$254	11.5x	Platforms
2. 10/9/15	JaggedPeak	Singapore Post	Engages in the development of cloud-based enterprise e-commerce technology	\$24	\$69	0.3x	Platforms
3. 8/11/15	Merchantry	Tradeshift	Provides an eCommerce SaaS solution for retailers to streamline and scale their marketplaces	\$30	ND	ND	Platforms
4. 8/5/15	CrossView	PFSweb	Delivers commerce technology and services across various environments	\$55	ND	ND	Platforms
5. 7/16/15	Innotrac	Sterling, Permira	Provides order processing and fulfillment to corporations that outsource these functions	\$925	\$1,240	0.7x	Platforms
6. 7/16/15	Radial	Permira, Sterling, Innotrac	Provides commerce technologies and marketing solutions for retailers	\$925	\$1,240	0.7x	Platforms
7. 5/5/15	Borderfree	Pitney Bowes International	Provides cross-border ecommerce solutions to retailers	\$372	\$124	3.0x	Platforms
8. 4/24/15	Kallidus	Infosys	Develops and hosts a cloud platform for mobile Websites and other digital shopping experiences	\$111	ND	ND	Mobile Storefront Technology
9. 3/11/15	4Degrés	Videotron	Provides data center solutions for businesses and institutions	\$28	ND	ND	eCommerce Payments / Checkout
10. 1/12/15	Tomax	Demandware	Develops a cloud-based platform for integrated retail management	\$75	ND	ND	Mobile Storefront Technology
11. 12/18/14	SK C&C	Mozido	Provides mobile commerce technology solutions	\$106	ND	ND	Mobile Storefront Technology
12. 12/18/14	Zeon Solutions	Perficient	Provides enterprise e-commerce and custom application development services to advertising specialty	\$39	\$23	1.7x	Platforms
13. 12/11/14	ShopVisible	Epicor Software	Provides cloud retail order management and digital commerce solutions	\$25	ND	ND	Platforms

(1) Limited to disclosed transactions above \$20M in the US and Canada.

Sources: 451 Research, Company filings, CapIQ.

Online Storefront Platforms Summary M&A Transactions (cont'd)



Precedent M&A Transactions from 2014 to March 2017⁽¹⁾

Date	Target	Acquirer	Business Description	EV (\$M)	LTM Revs		Subcategory
					EV / LTM Revs	Subcategory	
14. 11/24/14	Fifth Gear	Speed Commerce	Develops a set of integrated commerce management solutions including order and inventory management	\$82	\$55	1.5x	Platforms
15. 8/6/14	Brightstar	SoftBank	Delivers wireless products and services to retailers	\$790	ND	ND	Mobile Storefront Technology
16. 11/11/14	SecureNet	WorldPay	Provides cloud-based solution to integrate point-of-sale and eCommerce payments processing for merchants	\$117	ND	ND	eCommerce Payments / Checkout
17. 10/23/14	Digital River	Siris Capital Group	Provides end-to-end cloud-commerce payments and marketing solutions to various companies	\$915	\$375	2.4x	Platforms
18. 7/21/14	Retail Decisions	ACI Worldwide	Provides fraud prevention payment processing and value-added payment services	\$94	\$51	1.8x	eCommerce Payments / Checkout
19. 5/5/14	PNI Digital Media	Staples	Provides transaction processing and order routing services to retailers	\$63	\$24	2.7x	Platforms
20. 3/25/14	KnowledgePath Solutions	Digital Management	Operates as a systems integrator that provides multi-channel mobile and eCommerce solutions for consumer retail	\$22	\$15	1.5x	Platforms

(1) Limited to disclosed transactions above \$20M in the US and Canada.
Sources: 451 Research, Company filings, CapIQ.

Online Storefront Platforms Private Company Financings



Private Company Financings >=\$10M from 2015 to March 2017⁽¹⁾

Date	Target	Investors	Target Business Description	Subcategory	Check Size (\$M)
1. 1/25/17	Button	Norwest Venture Partners; Redpoint Ventures; DCM; Greycroft Partners	Provides mobile customer acquisition, engagement, and monetization solutions	Mobile Storefront Technolgy	\$20.0
2. 1/4/17	Magento	Hillhouse Capital Management	Develops and offers eCommerce software and eCommerce platform solutions for customers	Platforms	\$250.0
3. 12/26/16	CloudCraze	Insight Venture Partners; Salesforce Ventures	Develops enterprise-class B2B and B2C cross-channel eCommerce solutions on Salesforce	Mobile Storefront Technolgy	\$20.0
4. 10/18/16	ThreatMetrix	ND	Provides context-based business security and fraud prevention solutions for businesses	eCommerce Payments / Checkout	\$30.0
5. 10/5/16	Payoneer	Technology Crossover Ventures; Susquehanna Growth Equity	Operates a cross-border payments platform that connects businesses	eCommerce Payments / Checkout	\$180.0
6. 9/12/16	Avalara	Battery Ventures; Warburg Pincus; Technology Crossover Ventures	Provides a platform that provides a suite of sales and other transactional tax compliance solutions	eCommerce Payments / Checkout	\$100.0
7. 9/8/16	Signifyd	Menlo Ventures; TriplePoint Capital, LLC; American Express Ventures	Operates an API that helps e-commerce businesses to control fraud while doing business	Platforms	\$19.0
8. 9/1/16	Boku	Benchmark; NEA; Index Ventures; Khosla Ventures; DAG Ventures	Provides carrier billing-based mobile payments services	eCommerce Payments / Checkout	\$13.8
9. 8/12/16	SecureKey Technologies	Roynat Capital; RBC; BMO; Toronto-Dominion Bank	Develops hardware and software solutions for chip-based identity and payment technologies	eCommerce Payments / Checkout	\$20.6
10. 7/29/16	Symphony Commerce	CRV; FirstMark Capital; Bain Capital Ventures; Blue Cloud Ventures	Provides eCommerce solutions to brand designers, innovators, and business entrepreneurs	Platforms	\$15.7
11. 7/19/16	Sift Science	Insight Venture; Union Square Ventures; Spark Capital Partners	Operates an online platform that enables clients to fight fraud with large-scale machine learning	Platforms	\$30.0
12. 6/28/16	PredictSpring	Felicis Ventures; Novel TMT Ventures; Beanstalk Ventures; Benvio	Operates a mobile commerce platform that allows brands to build and launch mobile apps	Mobile Storefront Technolgy	\$11.4
13. 6/23/16	CardConnect	Falcon Investment Advisors	Provides payment processing and technology solutions	eCommerce Payments / Checkout	\$37.5
14. 6/21/16	Payfone	RRE; Early Warning Services; Maclab; Opus; Rogers	Provides mobile authentication services	eCommerce Payments / Checkout	\$23.5
15. 5/9/16	PayToo	ND	Develops mobile phone solutions and e-commerce payment transaction solutions	eCommerce Payments / Checkout	\$10.0
16. 4/21/16	IFAN Financia	Old Main Capital	Designs, develops, and distributes software to enable mobile payments	eCommerce Payments / Checkout	\$10.0
17. 4/13/16	Transactis	Safeguard Scientifics; The Toronto-Dominion Bank; Fifth Third Bancorp	Provides Software-as-a-Service based electronic billing and payment software solutions	eCommerce Payments / Checkout	\$30.0
18. 2/25/16	Signifyd	Allegis Capital; Menlo Ventures; QED Investors; IA Ventures	Operates an API that helps e-commerce businesses to control fraud while doing business	Platforms	\$20.0

(1) Limited to disclosed transactions above \$10M in the US and Canada.

Sources: CapIQ, and Wall Street research.

Online Storefront Platforms Private Company Financings (cont'd)



Private Company Financings >=\$10M from 2015 to March 2017⁽¹⁾

Date	Target	Investors	Target Business Description	Subcategory	Check Size (\$M)
19. 1/15/16	B12	General Catalyst Partners; Founder Collective; SV Angel	Develops human-assisted artificial intelligence (AI) platform that streamlines website design process	Platforms	\$12.4
20. 12/18/15	Phunware	World Wrestling Entertainment; Maxima Capital; Khazanah Nasional Berhad	Provides a platform that enables brands to engage, manage, and monetize their users worldwide	Mobile Storefront Technolgy	\$41.3
21. 12/10/15	Orchestra	Fondaction; Fonds de solidarité FTQ; W Investments	Provides a platform for digital commerce and content management in the retail industry	Platforms	\$12.0
22. 10/7/15	Phunware	PLDT	Provides a platform that enables brands to engage, manage, and monetize their users worldwide	Mobile Storefront Technolgy	\$10.0
23. 9/30/15	Kinnek	Matrix Partners; Sierra Ventures; Version One Ventures; Thrive Capital	Operates an online platform that enables businesses to compare quotes from suppliers	Platforms	\$20.0
24. 9/30/15	NewStore	General Catalyst	Provides a mobile retail platform that boosts conversion and promotes engagement	Mobile Storefront Technolgy	\$38.0
25. 7/15/15	Stella Service	Battery; Norwest; RRE Ventures; Comcast Ventures; Gotham	Provides customer service performance data, ratings, and analytics for online retailers	Customer Service	\$15.0
26. 7/14/15	Segovia Technology	ND	Operates an online platform to deliver payments in for relief and anti-poverty programs	eCommerce Payments / Checkout	\$13.8
27. 7/10/15	Main Street Hub	Vista Equity Partners	Develops and operates an online marketing platform for local businesses	Platforms	\$25.0
28. 5/20/15	WePay	August Capital; FTV Capital; Highland Capital Partners; Ignition; Rakuten	Provides online payment gateways and payment solutions	eCommerce Payments / Checkout	\$40.0
29. 4/30/15	Net Element	Credit Suisse Alternative Capital; Candlewood Investment	Operates an integrated mobile and transactional services platform	eCommerce Payments / Checkout	\$15.0
30. 4/28/15	Loop Commerce	PayPal Holdings; Novel TMT Ventures; Wicklow Capital	Operates an online shopping portal	Payments / Checkout	\$16.0
31. 3/31/15	Jello Labs	Groupe Arnault; GV; Thrive Capital; BoxGroup	Builds mobile commerce applications	Mobile Storefront Technolgy	\$25.0
32. 3/3/15	Booker Software	Grotech; First Data; TDF; Revolution; Bain; Signal Peak; Jump Capital	Develops a commerce platform that enables service businesses to sell their services online	Platforms	\$35.0
33. 2/10/15	Thing Daemon	Culture Convenience Club	Operates an online platform that enables customers to discover, collect, and buy goods	Platforms	\$20.0
34. 1/29/15	nReach	Rocket Internet	Offers mobile commerce solutions and services	Mobile Storefront Technolgy	\$11.0
35. 1/29/15	Volusion	Main Street Capital Corporation (NYSE:MAIN)	Provides ecommerce software and services for businesses	Platforms	\$55.0
36. 1/12/15	Insite Software Solutions	Volition Capital	Provides (B2B) and (B2C) platforms and shipping solutions worldwide	Platforms	\$16.8

(1) Limited to disclosed transactions above \$10M in the US and Canada.

Sources: CapIQ, and Wall Street research.

Online Storefront Platforms Public Company Landscape



(\$US in millions)

Company	Enterprise Value(b) (c)	1 Year Stock Performance	Market Data				Operating Data (a)				2016 Gross Margin	2016 Op. Margin(d)
			EV / Rev 2016A	EV / EBITDA 2016A	Revenue		EBITDA	Rev Growth 17E/16A				
			2017E	2016A	2017E	2016A	17E/16A					
1. Amber Road	\$216	45%	3.0x	NM	\$82	\$73	(\$2)	12%	51%	(24%)		
2. Paypal	\$42,134	10%	3.9x	20.0x	\$12,609	\$10,842	\$3,168	16%	47%	15%		
3. Shopify	\$5,747	145%	14.8x	NM	\$599	\$389	\$0	(27)	54%	54%	(10%)	
4. SPS Commerce	\$866	38%	4.5x	NM	\$221	\$193	\$32	14%	67%	4%		
5. Square	\$5,833	15%	3.4x	NM	\$902	\$1,709	\$114	(47%)	34%	(4%)		
6. USA Technologies	\$166	(4%)	1.9x	NM	\$104	\$86	\$9	22%	28%	(2%)		
Median	\$3,306	27%	3.6x	20.0x	\$410	\$291	\$21	(5)	15%	49%	(3%)	



In-Store Retail Technologies
Online Storefront Platforms
Post-Purchase Customer Experience
Digital Marketing Services

Post-Purchase Customer Experience Private Company Landscape



Company	\$ Raised (\$M)	Company Description
Delivery		
1. Narvar	\$33	Provides a shipping and delivery solutions mobile platform for retailers
2. Postmates	\$279	Operates an logistics and on-demand delivery platform that connects customers with local couriers
3. RideCell	\$28	Develops a fleet automation software for global shipping companies
4. uShip	\$25	Operates an online transport marketplace
Returns		
1. Happy Returns	\$2	Provides in-person returns for online shoppers
2. Newgistics	\$35	Provides omni-channel commerce software and technology services for retailers and brands
3. Optoro	\$131	Operates logistics platform that helps retailers process, manage, and sell their returned inventory
4. Returnly	\$3	Offers subscription based service that offers shoppers the best product returns
Customer Service		
1. B2X Care	\$23	Manages the after sales service of mobile and IoT devices
2. Gladly	\$27	Develops cloud based software for the contact center market
3. HappyOrNot	\$0	Develops wireless point-of-experience devices
4. Inbenta	\$14	Provides natural language processing and semantic search services
5. Insidr	\$10	Operates a Website that provides customer service
6. MindMeld	\$15	Develops a platform that adds voice interfaces, including question-answering
7. Qualtrics	\$220	Provides voice-recognition and customer experience software
8. Star2Star	\$29	Provides hybrid cloud communications and VOIP solutions
9. Stella Service	\$37	Provides customer service performance data, ratings, and analytics for online retailers
10. SwervePay	\$12	Provides cloud-based payment and customer service solutions to business owners
11. TaskUs	\$15	Offers customer service and back ofice outsourcing solutions

Selection criteria based on size and publicly available information.

Sources: Company filings, CapIQ, and Wall Street research.

Post-Purchase Customer Experience Summary M&A Transactions



Precedent M&A Transactions from 2014 to March 2017⁽¹⁾

Date	Target	Acquirer	Business Description	LTM		EV / LTM	
				EV (\$M)	Revs	Revs	Subcategory
1. 6/20/16	ShippingEasy	Stamps	Provides a cloud-based shipping solution for online merchants that recommends and assigns the cheapest USPS shipping rates	\$55	ND	ND	Delivery
2. 11/25/15	Oz Development	The Descartes Systems	Develops cloud integration solutions that streamline e-commerce warehouse and shipping processes	\$30	ND	ND	Delivery
3. 10/14/15	Fulfillment Technologies	Singapore Post	Offers payment processing and fraud management along with global eCommerce solutions	\$175	ND	ND	Delivery
4. 11/20/14	Airclic	The Descartes Systems	Develops cloud-based electronic proof-of-delivery and routing solutions	\$30	ND	ND	Delivery
5. 7/17/14	Venda	NetSuite	Provides cloud-based digital commerce solutions for manufacturers and retailers	\$50	ND	ND	Delivery
6. 10/20/14	ShipWorks	Stamps	Provides shipping and order management software that integrates with online marketplace	\$22	ND	ND	Delivery
7. 6/16/14	Auctane	Stamps	Provides e-commerce shipping software	\$76	\$5	15.0x	Delivery
8. 1/6/14	KANA Software	Verint Systems	Develops service experience management software solutions for Fortune 500 and mid-market businesses	\$514	ND	ND	Customer Service
9. 1/6/14	Parature	Microsoft Dynamics	Provides a cloud-based customer service software solution for customer service representatives	\$100	ND	ND	Customer Service

(1) Limited to disclosed transactions above \$20M in the US and Canada.

Sources: 451 Research, Company filings, CapIQ.

Post-Purchase Customer Experience Private Company Financings



Private Company Financings >=\$10M from 2015 to March 2017⁽¹⁾

Date	Target	Investors	Target Business Description	Subcategory	Check Size (\$M)
1. 2/14/17	uShip	Deutsche Bahn	Operates an online transport marketplace to get quotes from courier services	Delivery	\$25.0
2. 12/19/16	Optoro	Kleiner Perkins Caufield & Byers; UPS; Maryland State	Operates a reverse logistics platform	Returns	\$30.0
3. 10/31/16	Postmates	The Founders Fund; WP Global Partners; Fontinalis Partners	Operates an logistics and on-demand delivery platform that connects customers with couriers	Delivery	\$140.0
4. 6/21/16	Gladly Software	New Enterprise Associates; Greylock	Develops cloud based software for the contact center market serving B2C brands	Customer Service	\$27.0
5. 6/13/16	Narvar	Accel; Battery Ventures; Fung Capital Asia Investment; Freestyle Capital	Provides a shipping and delivery solutions platform for retailers	Delivery	\$22.8
6. 4/4/16	Inbenta Technologies	Level Equity Management; Scale Capital; Amasia	Provides natural language processing and semantic search services	Customer Service	\$12.0
7. 2/9/16	SwervePay	Garland Capital Group; Mandell Ventures	Provides cloud-based payment and customer service solutions	Customer Service	\$10.0
8. 7/28/15	Optoro	Square 1 Bank; TriplePoint Venture Growth BDC; TPVG Advisers	Operates a reverse logistics platform	Returns	\$40.0
9. 7/15/15	StellaService	Battery Ventures; Norwest Venture; RRE Ventures; Comcast; G	Provides customer service performance data, ratings, and analytics for online retailers	Customer Service	\$15.0
10. 7/6/15	RideCell	Khosla Ventures; BMW Ventures	Develops fleet automation software solutions	Delivery	\$27.6
11. 7/2/15	Narvar	Accel; Freestyle Capital; Crosscut Ventures Management	Provides a shipping and delivery solutions platform for retailers	Delivery	\$10.0
12. 6/12/15	Postmates	Tiger Global Management; Huron River Venture Partners; Slow Ventures	Operates an logistics and on-demand delivery platform that connects customers with couriers	Delivery	\$80.0
13. 6/8/15	TaskUs	-	Offers outsourcing services and solutions	Customer Service	\$15.0
14. 5/18/15	Insidr	True Ventures; CrunchFund; Costanoa Venture Capital; Toba Capital	Provides customer service out-sourcing solutions	Customer Service	\$10.4
15. 1/31/15	Postmates	Spark Capital Partners; Entree Capital	Operates an logistics and on-demand delivery platform that connects customers with couriers	Delivery	\$35.0

(1) Limited to disclosed transactions above \$10M in the US and Canada.

Sources: CapIQ, and Wall Street research.

Post-Purchase Customer Experience Public Company Landscape



(\$US in millions)

Company	Enterprise Value(b) (c)	1 Year Stock Performance	Market Data				Operating Data (a)				2016 Gross Margin	2016 Op. Margin(d)
			EV / Rev 2016A	EV / EBITDA 2016A	Revenue		EBITDA	Rev Growth 17E/16A				
			2017E	2016A	2017E	2016A	2017E	2016A				
1. Commerce Hub	\$687	ND	6.8x	32.0x	\$114	\$101	\$42	\$21	14%	77%	17%	
2. LivePerson	\$348	15%	1.6x	39.0x	\$205	\$223	\$19	\$9	(8%)	72%	(4%)	
3. PFS Web	\$158	(51%)	0.6x	9.8x	\$344	\$275	\$24	\$16	25%	27%	0%	
4. Speed Commerce	\$112	(74%)	ND	NM	ND	ND	ND	ND	ND	0%	0%	
5. Zendesk	\$2,534	35%	8.1x	NM	\$420	\$312	\$12	(\$84)	35%	70%	(33%)	
Median	\$348	(18%)	4.2x	32.0x	\$274	\$249	\$21	\$12	19%	70%	0%	



In-Store Retail Technologies

Online Storefront Platforms

Post-Purchase Customer Experience

Digital Marketing Services

Digital Marketing Services Private Company Landscape



Personalization / Search / Retargeting

Company	\$ Raised (\$M)	Company Description
1. Adara Media	\$62	Operates a travel intelligence platform to connect consumers to advertisers
2. AdRoll	\$90	Offers an advertising/retargeting platform to help marketers/advertisers collect, analyze, & act on their customer data
3. AgilOne	\$35	Offers a predictive marketing cloud technology that helps retailers deliver omni-channel experiences
4. Avenida	\$30	Provides e-commerce services
5. BloomReach	\$97	Develops and provides Big Data marketing applications for Internet retailers
6. Boomerang Commerce	\$36	Provides dynamic price optimization solutions for online retail
7. Certona	\$37	Offers a multi-channel personalization platform for brands and retailers
8. CrownPeak Technology	\$50	Develops Software-as-a-Service Web experience management and optimization solutions
9. Evergage	\$10	Develops a cloud-based platform for digital marketers to increase engagement
10. Kinetic Social	\$44	Provides solutions for social, display, and mobile advertisers to connect with their engaged audience
11. Mintigo	\$34	Provides a cloud-based predictive marketing platform
12. Monetate	\$43	Provides a 1-to-1 customer personalization platform for online storefronts
13. OwnerIQ	\$45	Provides a personalization and automation platform for customer emails and online storefronts
14. Prinova	\$17	Provides a customer communications management platform and services
15. Redpoint Global	\$24	Provides a data management & integrated marketing platform for retailers
16. RichRelevance	\$82	Offers an omni-channel personalization platform
17. Sellpoints	\$19	Operates a consumer insights platform so brands and retailers can see the impact of their methodologies live
18. Simplify	\$20	Offers a cloud-based enterprise telecommunication solution
19. SiteSpect	\$13	Provides non-intrusive Web optimization solutions to improve conversion rate and engagement
20. SocialChorus	\$28	Provides advocate marketing solutions for brands
21. Spendsetter	\$15	Provides an advocacy marketing platform that allows brands to identify advocates through targeted campaigns
22. Springbot	\$21	Provides an ecommerce marketing platform for small and medium business markets
23. Strands	\$51	Provides ecommerce personalization tools as well as a fintech engine for banks
24. Takt	\$30	Develops a real-time personalization platform for consumer-based enterprises
25. Urban Airship	\$68	Provides mobile push messaging that enables brands to strengthen consumer relationships
26. xAD	\$43	Provides a location-based marketing and advertising platform

Selection criteria based on size and publicly available information.

Sources: Company filings, CapIQ, and Wall Street research.

Digital Marketing Services Private Company Landscape (cont'd)



Customer Related Analytics

Company	\$ Raised (\$M)	Company Description
1. Bluenose Analytics	\$10	Provides a customer success platform for software-as-a-service businesses
2. Brainyak	\$12	Develops an online qualitative and quantitative agile market research solution
3. Bluecore	\$28	Develops marketing automation solutions
4. Buxton	\$0	Provides market analysis for potential new B&M units and optimization tools for existing storefronts
5. Catchpoint Systems	\$23	Designs and develops a Web based end-user experience monitoring platform
6. Centril	\$0	Operates customer relevance search platform
7. Clarifai	\$41	Provides advanced image recognition systems for detecting near-duplicates and visual search
8. Curalate	\$40	Provides solutions for brands and agencies to measure, monitor, and grow brand engagement
9. Custora	\$8	Offers a Software-as-a-Service based predictive analytics platform for e-commerce marketing teams
10. Drawbridge	\$46	Provides a consumer insights analytics and data-mining engine for retailers
11. G2 Web Services	\$0	Provides portfolio protection, online reputation monitoring, and customer monitoring
12. Gigya	\$106	Provides a customer identity management platform
13. ID.me	\$30	Provides a digital identity network
14. InfoScout	\$21	Provides real-time shopper insights and crowdsourcing solutions
15. Iterable	\$23	Operates consumer growth marketing and user engagement platform
16. Medallia	\$150	Customer experience management company
17. NetBase Solutions	\$33	Provides social media analytics solutions
18. Networked Insights	\$30	Develops a marketing decision platform that helps companies use real time data to optimize marketing
19. Qualaroo	\$7	Offers a website analytics platform to optimize conversion rates and track pressure points on client online storefronts
20. Quantifind	\$46	Develops and provides an analytics platform which forecasts consumer actions in the real world
21. RevMetrix	\$2	Develops customer behavior data-acquisition and analytics tools
22. Segment.io	\$42	Develops a platform for collecting customer data
23. Signal Digital	\$30	Provides a Software-as-a-Service marketing technology that helps advertisers
24. Smarter HQ	\$41	Provides a solution that monitors online storefronts and provides tools to grow customer conversion rates
25. Swirl Networks	\$32	Provides a mobile presence management and marketing platform for retailers
26. Treasure Data	\$25	Develops and delivers managed cloud services
27. Truefit	\$47	Provides an online fit recommendation engine that manages databases of consumer fit data profiles
28. Umbel	\$12	Develops cloud based customer data analysis software solutions
29. Verto Analytics	\$24	Provides audience measurement solutions to monitor the behavior of consumers on devices, apps, and platforms
30. Windsor Circle	\$13	Provides customer retention software for the retail industry worldwide

Selection criteria based on size and publicly available information.

Sources: Company filings, CapIQ, and Wall Street research.

Digital Marketing Services Private Company Landscape (cont'd)



Product Pricing / Placement Optimization

Company	\$ Raised (\$M)	Company Description
1. 360pi	\$5	Provides on-demand price intelligence solutions to retailers through a B2B SaaS platform
2. Adara Media	\$62	Operates a travel intelligence platform to connect consumers to advertisers
3. Blue Yonder	\$75	Develops a cloud-based predictive pricing and inventory management applications for the retail and grocery spaces
4. Boomerang Commerce	\$36	Provides dynamic price optimization solutions for online retail
5. Brandview	\$0	Leading global provider of price, promotion and online product positioning analytics
6. Celect	\$15	Predictive retail analytics SaaS based platform for merchandise planning and product assortment optimization
7. Clavis Technology	\$32	Provides online and eCommerce store analytics solutions for consumer packaged goods companies
8. Clear Demand	\$0	Delivers a price strategy optimization solution for brick and mortar retail
9. ClickTale	\$55	Provides SaaS based enterprise digital customer experience management solutions that optimize visitor interactions
10. Content Analytics	\$0	Develops and operates an E-Commerce analytics platform that recommends optimization strategies to retailers
11. Eversight	\$15	Provides cloud-based solutions built on the predictive, machine learning, and data science technologies
12. First Insight	\$18	Offers a cloud based predictive analytic consumer testing solution for e-commerce companies
13. Hubba	\$14	Operates a platform for brand marketers
14. Jirafe	\$9	Grows revenues for retailers through eCommerce-tailored analytics and data driven marketing and merchandising.
15. Profitero	\$9	Offers competitive price monitoring technology
16. Quad Analytix	\$0	Gathers, analyzes, and visualizes e-commerce data to deliver competitive intelligence insights
17. Reflektion	\$34	Develops and markets a predictive analytics platform and cloud-based solutions for retailers and brands
18. Revionics	\$54	Offers SaaS merchandise optimization solutions to execute shopper-centric price and various promotions
19. Terapeak	\$0	Design and develops ecommerce research solutions

Shopper Marketing Agencies / Consultants

1. Capra Consulting	ND	Offers consulting services for payment, retail technology, and security clients
2. Collaborative Marketing	ND	Provides planning and strategy, advertising, social media, and mobile development services
3. FitForCommerce	ND	Provides eCommerce consulting services to retailers, providers, and mobile commerce customers
4. HMT Associates	ND	Provides in store marketing and consumer promotion services
5. Marketing Store	ND	Operates as a customer engagement agency
6. Mars Agency	ND	Offers international shopper marketing agency services
7. Match Marketing	ND	Offers shopper marketing solutions
8. Moosylvania Marketing	\$1	Offers branding and digital agency services
9. T3	ND	Operates as an advertising agency covering analytics, media, mobile and online advertising

Selection criteria based on size and publicly available information.

Sources: Company filings, CapIQ, and Wall Street research.

Digital Marketing Services Private Company Landscape (cont'd)



Loyalty / Rewards / Promotions		
Company	\$ Raised (\$M)	Company Description
1. 360insights	\$58	Empowers brands to create, measure, and manage their incentives programs
2. 8coupons	\$0	Owns and operates a platform that offers daily deals on lifestyle services, food products, and meal vouchers
3. Affinity Solutions	\$56	Develops targeted marketing, rebate rewards, experiential benefits, and editorial content
4. Augeo Marketing	\$0	Provides loyalty and engagement programs for employees, customers, and members
5. Belly	\$27	Operates a loyalty program
6. BigDoor	\$11	Provides an online platform that delivers loyalty programs and campaigns for brands
7. Buzz Points	\$33	Develops Web and mobile based loyalty platform
8. Cardlytics	\$167	Provides card-linked marketing services and operates an advertising platform
9. Catalina Marketing	ND	Delivers advertising messaging and promotions based on shopper purchase insights via mobile phones and devices
10. Clarus Commerce	\$30	Offers subscription websites to save consumers time and money through rebates and free shipping
11. Clutch	\$1	Provides tools to track prices on goods and services users want over time
12. CouponCabin	\$54	Provides online coupon codes, printables, and grocery coupons
13. CrowdTwist	\$16	Provides omni-channel loyalty marketing and data solutions
14. FiveStars	\$90	Operates a customer loyalty program
15. Flipp	\$61	Develops retail technology platform for retailers
16. freesamples.com	\$15	Provides consumer information to marketers by giving free samples to customers who complete product surveys
17. Giftcertificates.com	\$73	Provides e-commerce reward solutions and gift products for corporate and consumer markets
18. Givex	\$0	Provides gift and loyalty card solutions
19. Instream	\$5	Uses customer and transactional data to provide targeted promotions and loyalty programs
20. Intelligent Clearing Network	\$3	Electronically validates paper and digital coupons and incentives for grocery, drug, and mass merchant retailers
21. Kiip	\$12	Provides a moments-targeting platform that enables brands to deliver automated rewards to consumers
22. Linkable Networks	\$29	Provides a platform that turns multi-medium ads into linkable savings offers tied to a consumer's credit or debit card
23. MOGL Loyalty Services	\$36	Provides rewards program for restaurants and consumers in the United States
24. Prodege	\$61	Operates a daily deal site, discount e-commerce shop, and social rewards portal
25. RevTrax	\$0	Owns and operates an omnichannel promotional platform
26. SavingStar	\$35	Provides a digital grocery eCoupon rewards service for customers to redeem at grocery and drug stores
27. Slickdeals	\$0	Maintains a website that delivers personalized promotions
28. SpendSmart Networks	\$18	Provides proprietary loyalty systems, and a suite of digital engagement and marketing services to merchants
29. Stellar Loyalty	\$9	Provides cloud-based customer loyalty solutions
30. Thanx	\$22	Owns and operates an online platform that enables users to earn rewards at their favorite merchants
31. Valassis	\$0	Provides media solutions to advertisers and agencies
32. Wanderful Media	\$51	Engages consumer via shopping apps, mobile, and regional networks
33. Womply	\$30	Develops an online platform that links local merchant's discounts to all credit and debit cards
34. YA	\$0	Provides customer engagement services through a suite of digital promotional marketing solutions

Selection criteria based on size and publicly available information.

Sources: Company filings, CapIQ, and Wall Street research.

Digital Marketing Services Summary M&A Transactions



Precedent M&A Transactions from 2014 to March 2017⁽¹⁾

Date	Target	Acquirer	Business Description	LTM		EV / LTM		Subcategory
				EV (\$M)	Revs	Revs	LTM	
1. 10/17/16	Collective Bias	Inmar	Provides social media and shopper marketing services	ND	ND	ND	ND	Personalization / Retargeting
2. 10/13/16	Triad Retail	WPP	Creates and operates digital retail media programs for customers on media platforms	ND	ND	ND	ND	Personalization / Retargeting
3. 10/4/16	HookLogic	Criteo	Provides performance marketing services to manufacturers and hotels	\$250	ND	ND	ND	Personalization / Retargeting
4. 8/25/16	One Click Retail	Ascential	Provides eCommerce data measurement and search optimization services	\$225	ND	ND	ND	Product Pricing / Placement / Search
5. 7/21/16	Olapic	Monotype Imaging	Operates a visual marketing platform that turns consumer-generated photos and videos into brand assets for use in marketing channels	\$130	\$9	14.4x	ND	Customer Related Analytics
6. 7/21/16	TouchCommerce	Nuance Communications	Provides pay-for-performance online conversion marketing solutions for online customers	\$215	ND	ND	ND	Customer Related Analytics
7. 7/14/15	Transaction Wireless	First Data	Operates a cloud-based multi-channel digital gift card distribution and integrated marketing platform	\$65	ND	ND	ND	Loyalty / Rewards
8. 4/23/15	Bronto	NetSuite	Provides a cloud-based commerce marketing automation platform	\$200	ND	ND	ND	Personalization / Retargeting
9. 4/1/15	TellApart	Twitter	Operates a personalized predictive marketing platform	\$653	ND	ND	ND	Personalization / Retargeting
10. 3/31/15	Chango	The Rubicon Project	Operates as an online programmatic advertising company which enables marketers to build and raise brand awareness	\$116	ND	ND	ND	Personalization / Retargeting
11. 2/18/15	DataPop	Criteo	Provides a platform that delivers optimized ads for various retail customers across search and social channels.	\$22	ND	ND	ND	Personalization / Retargeting
12. 12/22/14	DataLogix	Oracle	Develops and delivers purchase-based audiences models targeting to drive sales.	\$1,189	ND	ND	ND	Customer Related Analytics
13. 11/11/14	Xtime	Cox Automotive	Develops cloud-based retention solutions for the retail automotive industry.	\$325	ND	ND	ND	Customer Related Analytics
14. 3/3/14	Catalina Marketing	Berkshire	Provides personalized and measurable campaigns that connect shoppers to retailers.	\$2,500	\$661	3.8x	ND	Personalization / Retargeting
15. 9/27/14	Shopkick	SK Planet	Develops a mobile shopping companion application that helps users save money and get rewarded.	\$200	\$26	7.6x	ND	Loyalty / Rewards

(1) Limited to disclosed transactions above \$20M in the US and Canada.

Sources: 451 Research, Company filings, CapIQ.

Digital Marketing Services Summary M&A Transactions (cont'd)



Precedent M&A Transactions from 2014 to March 2017⁽¹⁾

Date	Target	Acquirer	Business Description	EV (\$M)	LTM		Subcategory
					Rev\$	Rev\$	
16. 9/9/14	Ebates	Rakuten	Provide online directories of digital coupons and promotional codes for consumers	\$1,000	\$167	6.0x	Promotions
17. 6/30/14	Tap Commerce	Twitter	Develops mobile application retargeting and re-engagement solutions for smartphones and tablets.	\$100	ND	ND	Personalization / Retargeting
18. 6/16/14	Advantage	CVC Capital, Leonard Green	Provides sales and marketing services to consumer packaged goods industry	\$4,200	ND	ND	Personalization / Retargeting
19. 5/6/14	Convertro	AOL	Provides multi-touch attribution modeling technology for brands and agencies	\$101	ND	ND	Personalization / Retargeting
20. 4/10/14	AdQuantic	Criteo	Develops tailored optimization tools for advertising campaigns	\$26	ND	ND	Personalization / Retargeting
21. 11/3/14	Sapient	Publicis Groupe	Provides marketing and technology services that enable clients identify and act upon opportunities to improve their business performance	\$3,369	\$1,383	2.4x	Personalization / Retargeting
22. 2/20/14	TEDEMIS	Criteo	Develops real-time opt-in personalized email marketing software solutions that help advertisers turn web visitors into customers	\$29	\$11	2.6x	Personalization / Retargeting
23. 1/22/14	Scout Analytics	ServiceSource International	Provides cloud-based recurring revenue management solutions that enable companies to understand how customers engage with their online content	\$33	\$5	6.0x	Customer Related Analytics

(1) Limited to disclosed transactions above \$20M in the US and Canada.

Sources: 451 Research, Company filings, CapIQ.

Digital Marketing Services Private Company Financings



Private Company Financings >=\$10M from 2015 to March 2017⁽¹⁾

	Date	Target	Investors	Target Business Description	Subcategory	Check Size (\$M)
1.	3/8/17	ID.me	FTV Capital	Operates a digital verification network that allows clients to receive exclusive benefits online	Customer Related Analytics	\$10.5
2.	1/6/17	Celect	August; Fung; Activant	Provides a predictive retail analytics based platform for and product assortment optimization	Product Pricing / Placement / Search / Optimization	\$10.0
3.	12/23/16	SMARTERHQ	Battery Ventures; Spring Lake Equity Partners; Simon Venture	Operates a multi-channel marketing platform for online retailers	Personalization / Retargeting	\$13.0
4.	12/8/16	Thanx	Sequoia Capital; Icon Ventures; Javelin	Operates an online platform that enables users to earn rewards at their favorite merchants	Loyalty / Rewards	\$17.1
5.	12/6/16	Springbot	TTV Capital; TechOperators; Harbert Growth	Provides an ecommerce marketing platform for small and medium business markets	Personalization / Retargeting	\$10.1
6.	12/5/16	SocialChorus	Kohlberg Ventures	Provides advocate marketing solutions for brands	Personalization / Retargeting	\$10.0
7.	11/15/16	Womply	Sageview Capital	Develops an online platform that links local merchant's discounts to all credit and debit cards	Promotions	\$30.0
8.	11/9/16	xAd	IVP; Emergence Capital Partners; Eminence Capital	Provides a location-based marketing and advertising platform for publishers and developers	Personalization / Retargeting	\$42.5
9.	10/28/16	Iterable	CRV; Index Ventures; AngelPad	Operates consumer growth marketing and user engagement platform	Customer Related Analytics	\$23.0
10.	10/25/16	Clarifai	Menlo; Osage; QUALCOMM; Lux; Union Square	Provides advanced image recognition systems for detecting near-duplicates and visual search	Customer Related Analytics	\$30.0
11.	10/19/16	360insights	Sageview	Provides a platform that empowers brands to create, and manage their incentives programs	Promotions	\$30.0
12.	10/17/16	Catchpoint Systems	Battery; Sapphire	Designs and develops a Web based end-user experience monitoring platform	Customer Related Analytics	\$22.5
13.	9/23/16	Certona	Primus	Provides real-time omnichannel personalization solutions	Personalization / Retargeting	\$30.0
14.	7/25/16	Takt	Starbucks; BCG Digital Ventures	Develops a real-time personalization platform for consumer-based enterprises	Personalization / Retargeting	\$30.0
15.	7/19/16	Kiip	Hummer Winblad; North Atlantic Capital; United States Cellular; True Ventures;	Provides a platform that delivers automated rewards	Promotions	\$12.0
16.	7/13/16	True Fit	Intel; Signal Peak; Jump	Provides an online fit recommendation engine that manages databases of consumer fit data	Customer Related Analytics	\$25.0
17.	6/27/16	Prinova	Volition Capital	Provides customer communications management platform and services	Personalization / Search / Retargeting	\$13.0
18.	6/8/16	Impact Radius	Silversmith Capital Partners	Provides a digital marketing platform that enables brands to maximize the return of ad spend	Personalization / Retargeting	\$30.0

(1) Limited to disclosed transactions above \$10M in the US and Canada.

Sources: CapIQ, and Wall Street research.

Digital Marketing Services Private Company Financings (cont'd)



Private Company Financings >=\$10M from 2015 to March 2017⁽¹⁾

	Date	Target	Investors	Target Business Description	Subcategory	Check Size (\$M)
19.	6/1/16	Verto Analytics	Finnish Industry; Conor Venture Partners; Open Ocean Capital	Provides audience measurement solutions for monitoring the behavior of consumers	Customer Related Analytics	\$16.1
20.	5/31/16	Treasure Data	Sierra Ventures; Scale Venture; SBI	Develops and delivers managed cloud services for big data collection, and analysis needs	Customer Related Analytics	\$25.0
21.	5/6/16	Redpoint Global	Grotech Ventures; WP Global Partners	Offers ETL, data quality, and data integration applications	Customer Related Analytics	\$12.0
22.	5/5/16	Drawbridge	Kleiner Perkins Caufield & Byers; Sequoia Capital; Northgate Capital,	Offers data licensing and software, which empower businesses to better connect with their customers	Customer Related Analytics	\$25.0
23.	4/14/16	Flipp	General Atlantic	Develops retail technology platform	Promotions	\$61.0
24.	4/6/16	CrownPeak Technology	K1 Investment Management	Develops Software-as-a-Service web experience management and optimization solutions	Personalization / Retargeting	\$50.0
25.	4/5/16	Mintigo	Sequoia Capital Israel	Provides a cloud-based predictive marketing platform for marketers	Personalization / Search / Retargeting	\$15.0
26.	3/31/16	Eversight	Sutter Hill Ventures; Emergence Capital Partners	Provides cloud-based data science solutions for retailers and consumer goods manufacturers	Product Pricing / Placement / Optimization	\$14.5
27.	3/17/16	Clarus	-	Develops and markets subscription websites to save consumers time and money	Promotions	\$30.0
28.	3/11/16	Networked Insights	The State of Wisconsin; Goldman Sachs Asset Management; Kegonsa Capital;	Develops a marketing decision platform that helps companies use real time data to optimize marketing	Customer Related Analytics	\$30.0
29.	2/29/16	Signal Digital	EPIC Ventures; Baird Venture; SVB Silicon Valley Bank; Chicago Ventures	Provides marketing technology that caters to advertisers	Customer Related Analytics	\$30.0
30.	2/11/16	Reflektion	Battery Ventures; Intel Capital; Hasso Plattner Ventures	Develops and markets a predictive analytics platform and cloud-based solutions for retailers and brands	Product Pricing / Placement / Search / Optimization	\$18.0
31.	2/9/16	Quantifind	Iris Capital; Redpoint Ventures; USVP; Comcast Ventures	Provides an on-demand insights platform to help marketers understand their impact on revenue	Product Pricing / Placement / Search / Optimization	\$30.1
32.	2/2/16	Curalate	New Enterprise Associates; First Round Capital; MentorTech Ventures	Develops marketing tools for the visual Web market	Customer Related Analytics	\$27.5
33.	1/29/16	BloomReach	Battery; New Enterprise; Lightspeed; Bain; Salesforce	Develops and provides Big Data marketing applications for Internet retailers	Product Pricing / Placement / Search / Optimization	\$56.0
34.	1/27/16	360insights	Klass; OMERS; Leaders	Provides a platform that empowers brands to create, and manage their incentives programs	Promotions	\$10.0
35.	1/22/16	FiveStars	HarbourVest; Menlo Ventures; DCM; Lightspeed Venture	Provides digital loyalty programs and cards for businesses	Loyalty / Rewards / Promotions	\$50.0
36.	1/14/16	Boomerang Commerce	Madrona Venture Group; Trinity Ventures; Shasta Ventures	Provides dynamic price optimization solutions for online retail	Product Pricing / Placement / Search / Optimization	\$12.0

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Sources: CapIQ, and Wall Street research.

Digital Marketing Services Private Company Financings (cont'd)



Private Company Financings >=\$10M from 2015 to March 2017⁽¹⁾

	Date	Target	Investors	Target Business Description	Subcategory	Check Size (\$M)
37.	1/12/16	Evergage	PJC; G20 Associates; Arrowroot Capital	Develops a platform to engage visitors through one-to-one personalized experiences	Personalization / Retargeting	\$10.0
38.	11/25/15	Bluecore	FirstMark; Felicis; Georgian	Develops marketing automation solutions	Personalization / Retargeting	\$21.1
39.	10/16/15	Brainyak	PJC	Develops an online market research solution that enables clients to gather the consumer information	Customer Related Analytics	\$12.0
40.	10/9/15	Segment.io	Accel; Kleiner Perkins Caufield & Byers; Thrive Capital	Develops a platform for collecting customer data	Customer Related Analytics	\$27.0
41.	10/8/15	Hubba	Brightspark; Kensington Capital ; Canso Investment; Real Ventures	Operates a online platform for brand marketers	Product Pricing / Placement Optimization	\$11.0
42.	9/14/15	Adara Media	August; Morgenthaler; Onset; QuestMark	Operates a travel intelligence platform to connect consumers to advertisers	Customer Related Analytics	\$23.0
43.	9/10/15	HookLogic	Fung Capital Asia Investment; Intel Capital; Bain Capital Ventures	Provides performance marketing services to manufacturers and hotels	Personalization / Retargeting	\$15.5
44.	7/21/15	Kinetic Social	Bridge Bank, National Association; Multiplier Capital	Provides solutions for mobile advertisers to connect with their engaged audience	Personalization / Retargeting	\$17.5
45.	7/17/15	Avenida	ND	Provides e-commerce services	Personalization / Retargeting	\$30.0
46.	7/2/15	Medallia	Sequoia Capital	Provides customer experience management software	Customer Related Analytics	\$150.3
47.	6/16/15	Olapic	Fung Capital; Longworth Venture Partners; Unilever Ventures	Operates a visual marketing platform for use in marketing channels and e-commerce environments	Customer Related Analytics	\$15.0
48.	4/28/15	Clarifai	Osage; QUALCOMM; Lux; Union Square; GV; Corazon; Corazon	Provides advanced image recognition systems for detecting near-duplicates and visual search	Customer Related Analytics	\$11.3
49.	4/9/15	Perk	Mira VI	Operates as a cloud-based mobile rewards platform	Loyalty / Rewards	\$25.0
50.	4/7/15	Swirl Networks	Hearst Ventures; Longworth Venture Partners; SoftBank Capital	Provides a mobile presence management and marketing platform for retailers	Customer Related Analytics	\$18.0
51.	3/5/15	NetBase Solutions	Altos Ventures; Thomvest Ventures; ORIX Growth Capital; WestSummit	Provides social media analytics solutions	Customer Related Analytics	\$33.0
52.	2/26/15	First Insight	Updata Partners	Designs and develops cloud based predictive analytic consumer testing solution for companies	Product Pricing / Placement / Search / Optimization	\$14.0

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Sources: CapIQ, and Wall Street research.

Digital Marketing Services Public Company Landscape



(\$US in millions)

Company	Enterprise Value(b) (c)	1 Year Stock Performance	Market Data				Operating Data (a)				2016 Gross Margin	2016 Op. Margin(d)
			EV / Rev 2016A	EV / EBITDA 2016A	Revenue		EBITDA	Rev Growth 17E/16A				
			2017E	2016A	2017E	2016A	17E/16A					
1. Bazaarvoice	\$310	37%	1.5x	NM	\$206	\$202	\$17	(\$8)	2%	62%	(7%)	
2. ChannelAdvisor	\$231	(1%)	2.0x	NM	\$123	\$113	\$7	(\$6)	9%	76%	(12%)	
3. Criteo	\$3,024	25%	1.7x	17.0x	\$934	\$1,799	\$284	\$178	(48%)	36%	7%	
4. Points International	\$58	(11%)	0.2x	6.1x	\$332	\$309	\$12	\$10	8%	6%	2%	
5. Rakuten	\$15,698	6%	0.0x	12.2x	\$7,985	\$781,916	\$1,505	\$1,285	(99%)	30%	14%	
Median	\$310	6%	1.5x	12.2x	\$332	\$309	\$17	\$10	2%	36%	2%	

AGC's Dedicated eCommerce Team



Linda Gridley
Partner

- Linda has 25+ years of Wall Street Investment Banking experience
- Transactional experience focused in Digital Marketing & Media, Adtech, E-Commerce, Mobile, Social, Payments, Financial Technology, Traditional Marketing, Data and SaaS & Outsourcing services
- Founded Gridley & Company in August 2001 and built a premier boutique bank from the ground up
- Linda is regarded as an industry leader for conceiving some of the industry's best-regarded and best-attended conferences and events



Ben Howe
Co-Founder, CEO

- Ben is a co-founder and the CEO of AGC Partners
- In 26 years as an investment banker, Ben has completed more than 300 transactions
- Prior to AGC, he served as Managing Director, Head of M&A and Executive Committee Member at SG Cowen Securities, and prior to that served as Head of Technology Investment Banking for the East Coast and Europe at Montgomery Securities
- He serves as co-chairman of Excel Academy, which has four charter schools in East Boston, and served on the board of Portsmouth Abbey and the advisory board of Trinity College
- He holds a B.A. in Economics from Trinity College and an M.S. in Accounting from The Stern School of Business at NYU



Fred Joseph
Partner

- Jon is a Founding Partner at AGC with a focus on the Digital Media, Internet, and Software sectors
- Over the span of his 15+ year career in investment banking, Jon has completed more than 75+ transactions
- Jon helped found AGC in February of 2003, coordinating the infrastructure build, capital raise, and recruiting effort
- Prior to AGC, Jon worked in SG Cowen's Mergers & Acquisitions Group



Jon Guido
Partner

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- Prior to AGC, Jon worked in SG Cowen's Mergers & Acquisitions Group



Gee Leung
Partner

- Gee is a partner at AGC Partners, focusing on Digital Media and Marketing Technology
- In his 18 years as an investment banker, Gee has completed both M&A and financing transactions for some of the largest global technology and media companies, as well as growth companies at the leading edge of innovation
- Prior to joining AGC Partners, Gee held senior banking positions with MESA Global and Montgomery & Co. He started his investment banking career at Salomon Brothers in the late 90's and later worked at Friedman Billings Ramsey in its technology M&A team
- Gee received a B.A. from the Haas School of Business at UC Berkeley

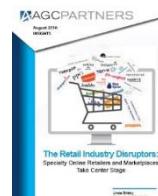
Other recent digital media research reports include:



Digital NY (Quarterly
Publication)



Food Order and
Delivery



Retail Industry
Disruptors



AdTech Industry
Update

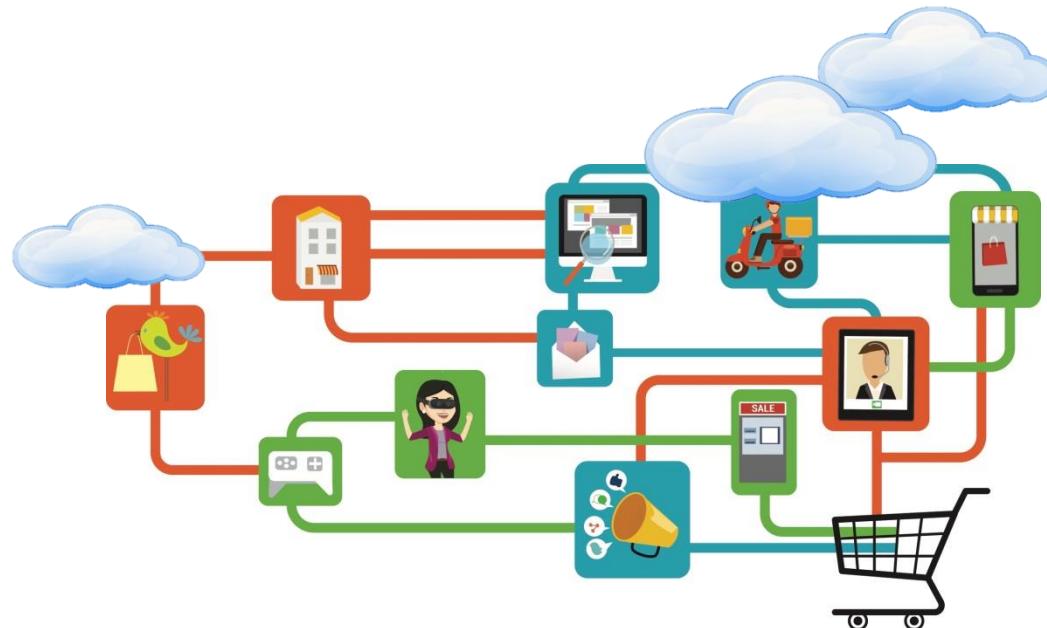


Marketing
Technology



Mobile App
Monetization

Disclaimer



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