

ESW | CAPITAL

BUY • STRENGTHEN • GROW

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**WE BUY BUSINESS
SOFTWARE COMPANIES**

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ABOUT US

Based in Austin, Texas, the ESW Capital group specifically focuses on buying, strengthening, then growing mature business software companies. By taking advantage of its unique operating platform, ESW revitalizes its acquisitions for sustainable success while making customer satisfaction a top priority. ESW and its affiliated companies have been in the enterprise software space since 1988, and the group includes notable brands such as **Aurea**, **Ignite Technologies**, **Trilogy**, and **Versata**.

For more information, email info@eswcapital.com

COMPANY

Capitalized by a single family office

Our Model: Buy, strengthen, and grow business software companies

Immersed in business and enterprise software and services since 1988

50+ portfolio acquisitions, including 11 TTM

We don't sell assets — we run companies for the long term

TRANSACTIONS

- 100% acquisitions, target EVs \$10m-\$250m+
- **Fast:** LOI's with valuation within a week, LOI and closing within 45 days
- **Easy:** Seller friendly: cash at close, no earn-outs or post-close contingencies
- **Certain:** 98% close rate on our LOIs
- **Broad:** Technology independent, and will bid on turnaround situations

OUR ACQUISITION APPETITE

- We are interested in acquiring all types of business software and IT service companies, spanning the spectrum from SMB through Enterprise.
- Our portfolio includes SaaS, on premise software, tech-enabled managed service, and pure IT consulting companies in North America and Europe.
- Our group companies enjoy significant competitive advantages:
 - Proven business model → our customers love us
 - Proven operating platform → cost-structure advantages
 - Global footprint and breadth of offerings → distribution advantages
 - Unique **Prime** program → delivers Free Enterprise Software to our customers
 - Revolutionary **Crossover** recruiting platform → ability to quickly spin-up global, world-class talent
- We bid most aggressively for those companies with long tenured customers, even if they have unattractive growth rates and/or earnings history.

OUR FOCUS

We will consider all types of business software and IT service companies, and specifically focus on the following:

<p>Established Enterprise Software</p> <ul style="list-style-type: none"> • \$5m-100m+ TTM Revenue • No EBITDA or growth rate requirement • Broad: horizontal or vertical, all levels of the technology stack • Will also bid on divestitures, legacy tech, and turnarounds • US or Europe 	<p>SMB Technology</p> <ul style="list-style-type: none"> • \$7m-50m+ TTM Revenue • No EBITDA or growth rate requirement • Ideal fits are either SaaS-based or download-install-run • Worldwide appetite 	<p>Profitable Niche Software</p> <ul style="list-style-type: none"> • \$3m-20m+ TTM Revenue • Profitable (\$1m-\$5m EBITDA), with no growth rate requirement • Located in the United States • Regional or industry concentration is acceptable • Non-consumer, business oriented software
<p>Tech Enabled Managed Services</p> <ul style="list-style-type: none"> • \$10m-100m+ TTM Revenue • No EBITDA or growth rate requirement • Open to all sectors and industries • Prefer staff located in United States or Western Europe 	<p>Enterprise IT Consulting</p> <ul style="list-style-type: none"> • \$10m-100m+ TTM Revenue • No EBITDA or growth rate requirement • Prefer staff located in United States • Ideal fits have specialization in a particular domain or technology 	<p>Distressed Situations / Bankruptcy</p> <ul style="list-style-type: none"> • No revenue minimum • Software or high-tech • Prefer \$100m+ of accumulated deficit and/or granted U.S. patents • Will provide DIP financing and stalking horse bids

ESW CAPITAL, LLC COMPANIES (July 2017)

FirstRain	Data Analytics for Sales and Marketing Enablement	www.firstrain.com	USA	Jul-17
Jive Software	Enterprise Collaboration and Communities	www.jivesoftware.com	USA	Jun-17
Placeable	Location Data Management and Marketing	www.placeable.com	USA	Apr-17
Exinda	Application and Network Performance Tools	www.exinda.com	USA	Apr-17
Engine Yard	Ruby Technology, Consulting and Hosting	www.engineyard.com	USA	Apr-17
Rose ASP	Microsoft Dynamics and Application Hosting	www.roseasp.com	USA	Apr-17
Infobright IEE	Scalable Big Data Storage and Analytics	www.infobright.com	Canada	Mar-17
Kerio Technologies	SMB Communications and Security	www.kerio.com	USA	Jan-17
CyberlinkASP	Desktop Hosting Services	www.cyberlinkasp.com	USA	Dec-16
ThinkVine	Marketing Attribution and Optimization	www.thinkvine.com	USA	Oct-16
Wave Systems	Data Security and Encryption	www.wavesys.com	USA	Aug-16
@Hand	Enterprise Mobile Data Platform	www.hand.com	USA	May-16
SenSage AP	Security Data Analytics	www.ignitetech.com	USA	Apr-16
Conarc	Document Management for Accountancies	www.conarc.com	USA	Mar-16
EPM Live	Enterprise Productivity Management	www.epmlive.com	USA	Mar-16
Compressus	Medical / Radiology Workflow System	www.compressus.com	USA	Dec-15
Quantum Retail	Retail Profit Analytics	www.quantumretail.com	USA	Oct-15
Lyris	Email and Messaging Management	www.lyris.com	USA	Jul-15
Nextdocs	Document Management for Life Sciences	www.nextdocs.com	USA	Jul-15
GFI	SMB Email and Fax	www.gfi.com	Europe	Jun-15
Hipcricket	Mobile Messaging and Advertising	www.hipcricket.com	USA	May-15
MessageOne	Email Archiving and Recovery	www.messageone.com	USA	May-15
Spiral	Multichannel Retail ERP	www.spiralnet.net	Europe	Sep-14
Update	Industry Specific CRM	www.update.com	Europe	Sep-14
Aurea Energy Solutions	Energy billing/management	www.aurea.com	USA	Aug-14
Acorn	Profit Analytics System	www.acornsys.com	USA	Jul-14
NuView	Payroll Processing	www.nuviewinc.com	USA	Jul-14
GCE	Retail ERP	www.aurea.com	Europe	Jun-14
Still Secure	NAC & Managed Security	www.stillsecure.com	USA	Sep-13
Ignite	Content Delivery SaaS	www.ignitetech.com	USA	Jul-13
Aurea	Infrastructure and BPM	www.aurea.com	USA	Dec-12
ObjectStore	Object Oriented Database	www.objectstore.com	USA	Dec-12
Accept	Project and Portfolio Management	www.accept360.com	USA	Oct-12
Prologic	Retail Vertical Software	www.prologic.com	Europe	May-12
Agentek	Field Service/Workforce Optimization	www.agentek.com	USA	Oct-11
RavenFlow	Requirements Definition System	www.ravenflow.com	USA	Mar-11
GeoVue	Dynamic Location Optimization	www.geovue.com	USA	Feb-11
Right90	Sales Forecasting	www.right90.com	USA	Dec-10
Auto-Trol	Enterprise Data Management	www.auto-trol.com	USA	Nov-10
Corizon	App Dev / Composite Apps	www.corizon.com	Europe	Oct-10
Infopia	eCommerce Software/Service	www.versata.com	USA	Oct-10
Think3	CAD and PLM	www.versata.com	Europe	Sep-10
Metatomix	Semantic Middleware	www.metatomix.com	USA	Sep-10
Triactive	Systems Management	www.triactive.com	USA	Jul-10
PurchasingNet	Supply Chain Management	www.purchasingnet.com	USA	Dec-09
Everest	SMB Retail ERP	www.everestsoftwareinc.com	USA	Jun-09
Alterpoint	Network Device Management	www.alterpoint.com	USA	Mar-09
eCora	Systems Management	www.ecora.com	USA	Sep-08
TenFold	Application Development Platform	www.versata.com	USA	Jun-08
ETI	Data Transformation	www.versata.com	USA	May-08
Nuvo	Network Monitoring Service	www.versata.com	Canada	Mar-08
Clear	Application Development Platform	www.versata.com	USA	Mar-08
Nextance	Document Management	www.nextance.com	USA	Sep-07
Gensym	Expert System Development Platform	www.gensym.com	USA	Sep-07
Artemis	Enterprise Portfolio Management	www.artemis.com	Europe	Jul-06
Versata	Application Development Platform	www.versata.com	USA	Jan-06
Trilogy	Enterprise Sales and Marketing Solutions	www.trilogy.com	USA	Founded 1998

OUR STANDARD DATA REQUEST

Our transactions are quick-turn and no nonsense. In many cases 10 days to LOI, 45 days to close with no post-close contingencies. Our process focuses on simple metrics, and our valuation methodology overlooks unattractive earnings and/or growth rate.

For Initial Valuation and Indication of Interest

Please Submit:

- 1) Corporate website and Information Memorandum (if any)
- 2) Quarterly financial statements for the latest 12 months, including income statement (detailing any pass-through revenue), balance sheet (including accumulated deficit if any), and cash flow statement
 - a) Any additional detail on revenue mix (subscription vs. license vs. maintenance, software vs. services, recurring vs. resold, product line breakdown, etc.)
 - b) Any available detail on the composition of COGS
- 3) Any available detail on recurring revenue retention rates
- 4) Summary of lease obligations, by location, showing monthly financial obligation and termination dates
- 5) TTM revenue by customer by product/service line (anonymous is fine)
- 6) Employee roster (names not necessary) with function, geography, tenure, and salary
- 7) Cap table, including total amount of equity funding (if applicable)

Additional Items Required for Final Valuation and Letter of Intent

- 1) Management call with key executives
- 2) Existing management, product and/or sales presentations
- 3) Current year tax return (or previous year if current is not available)
- 4) Listing of deferred revenue detail, specifically calling out any long-term prepaid revenue (i.e. beyond 12-months)
- 5) 3-year recurring revenue retention detail
- 6) Summary of severance policy including any specific contracts with key employees
- 7) Listing of any other potential liability not accrued on the balance sheet with termination dates and financial obligation
- 8) Listing of U.S. Patents (issued or pending), including any granted patent licenses



READY TO SUBMIT?

Email us at acquisitions@eswcapital.com