

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](mailto:info@eswcapital.com)

## COMPANY

Capitalized by a single family office

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

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Immersed in business and enterprise software and services since 1988

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50+ portfolio acquisitions, including 10 TTM

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

## TRANSACTIONS

- 100% acquisitions, target EVs \$10m-\$250m+
- **Fast:** IOI'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><b>Established Enterprise Software</b></p> <ul style="list-style-type: none"> <li>• \$5m-100m+ TTM Revenue</li> <li>• No EBITDA or growth rate requirement</li> <li>• Broad: horizontal or vertical, all levels of the technology stack</li> <li>• Will also bid on divestitures, legacy tech, and turnarounds</li> <li>• US or Europe</li> </ul> | <p><b>SMB Technology</b></p> <ul style="list-style-type: none"> <li>• \$7m-50m+ TTM Revenue</li> <li>• No EBITDA or growth rate requirement</li> <li>• Ideal fits are either SaaS-based or download-install-run</li> <li>• Worldwide appetite</li> </ul>   | <p><b>Profitable Niche Software</b></p> <ul style="list-style-type: none"> <li>• \$3m-20m+ TTM Revenue</li> <li>• Profitable (\$1m-\$5m EBITDA), with no growth rate requirement</li> <li>• Located in the United States</li> <li>• Regional or industry concentration is acceptable</li> <li>• Non-consumer, business oriented software</li> </ul> |
| <p><b>Tech Enabled Managed Services</b></p> <ul style="list-style-type: none"> <li>• \$10m-100m+ TTM Revenue</li> <li>• No EBITDA or growth rate requirement</li> <li>• Open to all sectors and industries</li> <li>• Prefer staff located in United States or Western Europe</li> </ul>   | <p><b>Enterprise IT Consulting</b></p> <ul style="list-style-type: none"> <li>• \$10m-100m+ TTM Revenue</li> <li>• No EBITDA or growth rate requirement</li> <li>• Prefer staff located in United States</li> <li>• Ideal fits have specialization in a particular domain or technology</li> </ul> | <p><b>Distressed Situations / Bankruptcy</b></p> <ul style="list-style-type: none"> <li>• No revenue minimum</li> <li>• Software or high-tech</li> <li>• Prefer \$100m+ of accumulated deficit and/or granted U.S. patents</li> <li>• Will provide DIP financing and stalking horse bids</li> </ul>   |

## ESW CAPITAL, LLC COMPANIES (June 2017)

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

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## 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)

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## 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](mailto:acquisitions@eswcapital.com)