ENTERPRISE SOFTWARE
REVOLUTIONISING THE MODERN WORKPLACE

November 2016
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GP Bullhound is a technology investment bank providing independent strategic advice on Mergers & Acquisitions and Capital raising to leading technology entrepreneurs, companies and investors across the globe.

Our passion for technology, our financial acumen and our understanding of the entrepreneur’s journey differentiate our advice from other investment banks.

We help exceptional people build exceptional businesses to create more billion-dollar technology companies across Europe.

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We act as a trusted partner to entrepreneurs and investors planning to sell their businesses or build by acquisition.

Since inception in 1999 we have completed over 230 transactions with category leaders in the technology sector globally.

More than half of our deals deliver a cross-border solution.

Our six offices across Europe and the US allow us to provide expert and experienced, local service to clients as well as market leading access to technology consolidators across the globe.

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In the last 17 years we have built up a unique, global set of relationships with investors who, like us, are passionate about technology.

We pride ourselves on building long-term relationships, and we work with our clients from growth equity fundraising, through debt restructuring, secondary fundraising and towards liquidity via trade sale or IPO.

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GP Bullhound Asset Management is our independent investment arm. It currently manages three funds, investing in high-potential and fast growing European technology businesses, from early stage to pre-IPO.
NEW VENDORS WILL WIN MEANINGFUL SHARE OF USD 321BN SOFTWARE MARKET

The Enterprise Software market is expected to be worth USD 321bn by the end of 2016, growing at a CAGR of 6% over the next four years. Whilst the overall market is showing steady growth, new delivery models allow software challengers to meet legacy vendors on a level playing field. The software market is no longer confined to a few dominating vendors and finally willing to embrace the best products – even from previously unknown software providers.

CLOUD IS TODAY’S REALITY – LEARN HOW TO TRUST IT

Cloud-based applications are an integral part of today’s Enterprise Software landscape and appear unstoppable in replacing on-premise solutions. On the back of predominant security concerns of large corporates, hybrid cloud offerings like Microsoft Azure and Amazon Web Services provide a solution allowing to transition only selected, and less sensitive data on to the cloud. Nonetheless, there are more pain points which have to be dealt with – for instance, the inclusion of personal clouds in the corporate cloud environment. Key innovations will likely solve these challenges, allowing the cloud-solutions to truly conquer the enterprise.

CONVERGENCE OF ENTERPRISE AND CONSUMER SOFTWARE IS ON THE WAY

The superior user experience that Consumer Software offers, particularly in the social sector, increasingly affects Enterprise Software in the battle for the end-customer and forces the adjustment of enterprise-class offerings to new standards. There is no reason why the use of Enterprise Software today should not be an enjoyable and affordable experience. At the same time, vendors of Consumer Software are attempting to enter the enterprise field, however, their products often lack the required security or other professional functionality. We are excited about new opportunities emerging from the melting pot where Enterprise and Consumer Software collide.

DECENTRALISED DECISION-MAKING DEFINES A NEW ERA FOR SOFTWARE SALES AND IT DEPARTMENTS

Software vendors are under pressure as purchasing decisions move away from centralised, top-level executives to a more dispersed divisional and regional level. The challenge is to learn how to address these new purchasers given their different and more specialised requirements. While resellers and integrators may be bridging the gap between vendors and customers, IT departments need to enhance their enabling and strategic functions in order to reap the benefits from existing and new products. Soon the end-users will gain significant power in choosing what software to use. In order to be successful, Enterprise Software vendors and corporate IT departments will have to cater to end-users’ decisions.

M&A AND FUNDRAISING ACTIVITY IS AT AN ALL-TIME HIGH

While the Enterprise Software IPO market is showing signs of a slowdown in the US, as investors move away from revenues to more profitability-oriented metrics, both M&A and fundraising activity is booming. A total of around 10,000 deals were closed in the period between 2014 H2 and 2016 H1 with private valuations growing steadily and peaking in 2016 Q2. The most prominent deals include the acquisition of Concur by SAP, EMC2 by Dell, and LinkedIn by Microsoft. M&A activity in Enterprise Software has mostly been driven by external innovation by legacy vendors. The current peak in M&A volumes, in our view, could be interpreted as the degree of urgency to maintain innovation leadership.
The evolution of Enterprise Software

“Fast and flexible process automation and improvement are at the heart of any digital transformation initiative” Gustavo Gomez, Founder & CEO Bizagi

Process optimisation and the battle with inefficiencies lie at the heart of software solutions for enterprises. Modern Enterprise Software was born in 1985 with the launch of the ubiquitous corporate operating system Microsoft Windows and the first software solutions allowing automation of certain tasks traditionally performed manually. This was followed by the era of on-premise computing technologies, perpetual licence software and company hosted servers. It was not until the late 1990s that things began to change radically - led by one of today’s canonical examples of an Enterprise Software-as-a-Service (“SaaS”) company, Salesforce.com. The company, run by Chairman and CEO Marc Benioff, was founded in 1999, more than 20 years after Microsoft. It successfully floated in 2004 with a valuation of over USD1.1bn, and currently has a market capitalisation of around USD53bn, almost 10 times its revenue for the fiscal year 2015 (USD5.4bn).

The basis for the success of Salesforce.com lies in the revolutionary nature of its offering. While traditionally Enterprise Software was offered on a perpetual licence basis, Salesforce.com introduced a Customer Relationship Management (“CRM”) solution in a SaaS format. Its CRM software was not delivered to customers on a CD, downloaded or installed on IT-department-premise, but was hosted remotely with customers accessing it via browsers. Unlike customers on licensed models, who were only required to pay once for a certain software product, the SaaS concept implied that users would pay a recurring fee for the service (e.g. monthly or annually) in order to access a remotely hosted platform.

The shift had a tremendous impact on the industry. Even the most established incumbents were forced to gradually adjust the way they were conducting business as the growing share and extreme success story of SaaS, as well as more favourable valuations of SaaS companies, could no longer be ignored. Today, the market is still evolving and shows multiple pricing and delivery models. Whilst these trends are expected to develop further, with a greater move towards recurring structures, the market is ready to embrace further pricing innovation.

1 Capital IQ, June 2016
Market segmentation and drivers

As can be seen in Figure 1, the Enterprise Software market was worth USD 308bn in 2015 and is estimated to grow to USD 409bn by 2020, representing a compound annual growth rate of 6%.

The market is fragmented. Its six largest sub segments: Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Business Intelligence, Supply Chain Management, Enterprise Content Management and Web-conferencing & collaboration comprise only 33% of the market volume.

The ERP market is the largest, expected to be worth USD 31.8bn in 2016. For a long time, the market was dominated by three major incumbents – Oracle, SAP & Microsoft Dynamics – and it is currently going through a phase of rapid diversification. The CRM market is expected to reach global revenues of USD 31.7bn in 2016 and shows the highest growth dynamic. The strong growth in the segment likely correlates to its high SaaS adoption level. Salesforce.com is the clear market leader in this subsegment with around 20% market share in 2015.

The CRM segment is followed by the market for Business Intelligence solutions with expected revenues of USD 17.4bn in 2016. The term Business Intelligence is closely linked to Predictive Analytics and Big Data, a topic which GP Bullhound covered extensively in its 2013 research report “Big Data Analytics”.

The remaining market is divided between smaller subsegments and solutions specific to certain industries/verticals. As can be seen in Figure 2, there are at least ten possible subsegments apart from the above four that could qualify as Enterprise Software. At the same time, some participants cannot be easily assigned to a particular sector. For instance, Jasper Technologies (acquired this year by Cisco Systems for USD1.4bn), provides a platform that enables businesses to launch, monetise and manage Internet-of-Things services on a global scale – a one-of-a-kind type of Enterprise Platform-as-a-Service offering.

2 Statista 2016, Worldwide IT spending on Enterprise Software from 2009 to 2020
3 Statista 2016, Worldwide Enterprise Software revenue by subsegment from 2010 to 2017
When we asked Dr. Gero Decker, Founder & CEO of Signavio (which can be found on the map in Business Process Management group), what his opinion is on a smaller Enterprise Software vendors being equal rivals to the established players, he said:

“If a small leading software provider like Signavio is the preferred company to develop a decision management platform from scratch for a leading investment bank, it really shows how the strong need for specialist expertise can win over long-term track-record and potential continuity concerns”.

The market map is indeed filled with both well-known names such as EMC, Microsoft, SAP, Oracle and many emerging players. Offering diversification is taking place not only in the ERP subsegment, but also in the market in general. We believe that vendors of software in today’s world are no longer confined by size. The days when the largest vendors were assumed to provide the best solutions are gone. Today, forward-thinking corporate users are on a never-ending search for better, more agile and innovative solutions that would meet their demands. A good example is Think-Cell, a group of German enthusiasts who knew how they could make Microsoft Office PowerPoint and Excel better with a plug-in simplifying and enhancing diagram creation. The company that started as a small part-academic project now serves 8,500 clients globally.

In any case, it is clear that the versatility of solutions offered in the market is beneficial for the end-users who now have a broader spectrum of applications to choose from. In an environment of fierce competition, where being great at one thing is better than being just good at a lot, companies are being forced to focus on their core strengths in order to survive and succeed, leaving ample space in support services and operations for software applications to fill. Vendors of Enterprise Software that help their users concentrate on what they do best while bridging efficiency gaps in their operations will add true value, and therefore prevail.
Figure 2: Enterprise Software – Market Map
OUR SURVEY: THE EXPERTS WEIGH IN

As a part of this report, GP Bullhound conducted a survey with over 150 tech professionals. At the beginning of the survey each respondent was asked if they consider themselves mainly a user or a vendor of Enterprise Software (Figure 3). The subsequent questions followed a different survey path addressing both respondent categories separately.

*Figure 3: Overview of respondents in the survey*

The respondents represent companies with an average number of employees ranging between 130 and 360 and the sample stretches across a variety of sectors. Several respondents indicated that they represent larger corporations with several thousand employees. The majority of respondents operate as CEO, C-level executive or manager, as can be seen in Figure 4.

*Figure 4: Role of respondents*
Critical impact on Marketing & Sales

Unsurprisingly, a clear majority of users of Enterprise Software (82%, Figure 5) said that it is important for their everyday business. Enterprise Software scored the highest importance levels from respondents in the retail industry (4.4 from 5 possible). Uwe Weiss, the CEO of Blue Yonder, emphasized in his interview with us, that the future of the industry is strongly dependent on Enterprise Software and, more specifically, predictive analytics. His company helps retail workers optimize their replenishment processes and pricing.

Figure 5: Importance of Enterprise Software in your day-to-day business

While the dependency on Enterprise Software for corporates is generally known, we also wanted to discover how levels of Enterprise Software use across different business units within an organisation varied. Both vendors and users submitted their answers which are summarized in Figure 6.

Figure 6: Business unit dependency on Enterprise Software

<table>
<thead>
<tr>
<th>Overall</th>
<th>By vertical (1:Low, 5:High)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Important 82%</strong></td>
<td>3.9 Financial institutions</td>
</tr>
<tr>
<td><strong>Somewhat important 12%</strong></td>
<td>4.0 IT/Software</td>
</tr>
<tr>
<td><strong>Not important 6%</strong></td>
<td>4.4 Retail</td>
</tr>
</tbody>
</table>

Average: 4.2

Note: Answered only by users of Enterprise Software

<table>
<thead>
<tr>
<th>Vendors</th>
<th>Users</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ranking</strong></td>
<td><strong>Business unit</strong></td>
</tr>
<tr>
<td>1</td>
<td>Sales/e-commerce</td>
</tr>
<tr>
<td>2</td>
<td>Finance &amp; Accounting</td>
</tr>
<tr>
<td>3</td>
<td>Analytics &amp; Business Intelligence</td>
</tr>
<tr>
<td>4</td>
<td>Marketing/CRM</td>
</tr>
<tr>
<td>5</td>
<td>IT</td>
</tr>
<tr>
<td>6</td>
<td>HR</td>
</tr>
<tr>
<td>7</td>
<td>Procurement/SCM</td>
</tr>
<tr>
<td>8</td>
<td>Legal</td>
</tr>
</tbody>
</table>

Note: Answered by both vendors and users of Enterprise Software
Some of the results are rather predictable. Transactional and data volume heavy types of Enterprise Software, such as Sales and Finance & Accounting have been dependent on software for decades.

As an example of modern-day developments in the field, Alexander M. Swoboda, CEO of FACTON, stated that “managing product costs is only possible by having an integrated software solution. In a world with ever increasing complexity and speed of change, scattered Excel sheets and systems in silos no longer do the trick.”

Co-founder of the company SMACC offering accounting software, Janosch Novak pointed out that the key benefit of Enterprise Software lies in automation of repetitive processes which creates massive efficiency improvements. He also believes Artificial Intelligence will play an increasingly important role:

“New generation software products which help to automate repetitive processes already create massive efficiency improvements. The continuous development of AI and digitalization of transactions will further drive automation levels, while the collected data creates huge additional potential for real-time BI analytics.”

In fact, Business Analytics & Business Intelligence ranked in the top three with both vendors and users taking up the Enterprise Software gauntlet. Its full potential is, however, underused and will show itself in the coming years, according to Silvan Rath, founder & CEO of predict.io:

“I expect Big-Data and Big-Data-as-a-Service to blossom in the following years since all kinds of companies collect data but largely lack the expertise to interpret it properly. This is where real-time analytics will add significant value.”

**Compliance regulations and usability drive Enterprise Software adoption**

When asked about the internal drivers of Enterprise Software adoption, over 60% of respondents considered the impact of C-level executives’ preferences on the purchasing decision of Enterprise Software to be low (Figure 7). Interestingly, about half of our survey respondents are C-level executives themselves. The majority of the respondents considered that regional offices and end-users typically had more impact on introducing new Enterprise Software solutions than centralised IT departments.

![Figure 7: Internal drivers of cloud adoption](image-url)
However, the main factor driving Enterprise Software adoption was a company’s compliance guidelines – more than 60% of the respondents considered these to be highly important. This is not surprising as a broader application base and higher mobility increases the pressure on application security.

When assessing the external drivers of cloud adoption (Figure 8), it becomes clear that end-users are gradually taking control over Enterprise Software choice. Figure 8 shows that ease-of-use as well as advances in interconnectivity and mobile solutions are among the leading factors in Enterprise Software adoption. Advances in cloud computing and growing volumes of valuable data ranked two and four respectively.

**Figure 8: External drivers of cloud adoption**

End-users now increasingly expect the same quality and functionality from Enterprise Software applications to which they have grown accustomed to while using Consumer Software. This wish is now not only recognised by the vendors, but also ranked as the top adoption driver. There is a clear
consensus that Enterprise Software solutions need to be intuitive and easy-to-use as well as work in line with growing mobility of end-users, otherwise they will not stand a chance against their counterparts in a battle for end-users.

Signifying the growing power of end-users in the choice of corporate software, many of the respondents reacted positively to the question of whether they have successfully promoted any personal software within their companies (Figure 9). More than 50% of the respondents who answered the question said that they successfully introduced solutions that they use privately in their workplaces. Some of the software applications mentioned were Dropbox, Evernote, Google Docs, and Slack.

**Cloud is already widespread**

As the world’s workforce is becoming increasingly mobile, the Enterprise Software environment is transitioning from on-premise based software to cloud enabled multi-device applications. In combination with the consumerised nature of the new enterprise solutions, employees now prefer, to a greater extent, to handle their workload through a flexible combination of interconnected smart devices rather than a traditional desktop solution.

However, even though it is widely believed that cloud-based solutions are now preferred over on-premise solutions, our survey suggests that there is still some way to go before enterprise solutions are completely operated in the cloud. Of the surveyed users, less than half indicated that more than 50% of the Enterprise Software they use are currently cloud-based (Figure 10). This percentage is understandably high for the users from the IT/Software industry (57% of respondents indicated that over 75% of the Enterprise Software they use is already in the cloud) and quite low for the users from the financial industry (only 13% above 75%).

*Figure 10: Share of Enterprise Software that is cloud-based*

The financial industry is, nonetheless, 3.5 times more likely to have a designated cloud-first strategy than retail (Figure 11), indicating that although adoption levels are not particularly high yet, the willingness to transition to cloud is evident.
While cloud-first was a buzzword a couple of years ago, our discussions with leading software vendors revealed that the perceived best path to allow companies to have a high-degree of flexibility and control with regards to what data to store on local servers and what in the cloud is to implement a hybrid structure. Furthermore, it allows companies to leverage their local infrastructure in the cloud.

This is further substantiated by our observations of market activity. Most active areas are centred around technologies and software products enabling all kinds of security, monitoring and data management processes for hybrid and cloud based environments.

**Figure 11: Does your company pursue a designated cloud-first strategy?**

<table>
<thead>
<tr>
<th>Overall</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>45%</td>
<td>55%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By vertical</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial institutions</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>IT/Software</td>
<td>33%</td>
<td>67%</td>
</tr>
<tr>
<td>Retail</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>Other</td>
<td>55%</td>
<td>45%</td>
</tr>
</tbody>
</table>

**Figure 12: Cloud-based solutions’ share of Enterprise Software**

<table>
<thead>
<tr>
<th>Number of vendors</th>
<th>0-25% of total Enterprise Software sales</th>
<th>25-50% of total Enterprise Software sales</th>
<th>50-75% of total Enterprise Software sales</th>
<th>75-100% of total Enterprise Software sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
<td>50%</td>
<td>17%</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>
At the same time, the data shows that vendors of Enterprise Software readily embraced the cloud transition. As can be seen in Figure 12, 61% of all vendors said that currently more than 50% of their total Enterprise Software sales come from cloud-based solutions.

**Figure 13: Enterprise Software and cloud adoption by vertical**

<table>
<thead>
<tr>
<th>Enterprise Software</th>
<th>Cloud</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ranking</strong></td>
<td><strong>Business unit</strong></td>
</tr>
<tr>
<td>1</td>
<td>Financial institutions</td>
</tr>
<tr>
<td>2</td>
<td>IT/Software</td>
</tr>
<tr>
<td>3</td>
<td>Logistics</td>
</tr>
<tr>
<td>4</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>5</td>
<td>Retail</td>
</tr>
<tr>
<td>6</td>
<td>Telecoms</td>
</tr>
<tr>
<td>7</td>
<td>Utilities</td>
</tr>
</tbody>
</table>

Note: Answered by vendors of Enterprise Software*

We also asked the participating vendors to rank various user verticals according to their Enterprise Software and cloud adoption levels (Figure 13). Interestingly, they ranked financial institutions higher in the first category and lower in the second which corresponds with responses from users in the financial industry. Apart from the data security concerns mentioned above, another likely factor making financial institutions reluctant to transition to the cloud is that they have invested heavily in proprietary solutions which are fundamentally on-premise and would have to be replaced or re-developed in order to work as seamlessly as cloud solutions.

While IT and Software scored highly in both cases, vendors seem to underestimate the Enterprise Software and cloud adoption levels in the retail industry. Moreover, comparing Figure 10 and Figure 12 hints at a mismatch of what vendors bring to the market (over 75% of sales come from the cloud) and what users seem to actually be using (only 33% use over 75% Enterprise Software based in the cloud). Demand and adoption rates may soon catch up with supply as cloud offerings are constantly being enhanced and their disadvantages could soon be outweighed by their multiple benefits. Alternatively, vendors may have jumped on the bandwagon of cloud offerings without specifically tailoring the product to the end-users’ actual needs. What remains a mystery is: who dictates what Enterprise Software solutions are being used in companies today? We address this question in the next chapter.
“The migration to Cloud Services happens in line with the increase of trust that enterprises gain towards the cloud. The more cloud service providers create greater transparency and comprehensibility of the benefits to cloud migration, the faster this process will be concluded”  
Dr. Ralph Ebbinghaus, Founder & CEO SWYX

Cloud computing today is an established subsegment of the Enterprise Software market. It is expected to reach USD 98.7bn in 2016 with the majority of sales coming from North America and Europe, comprising 49% and 27% of the market, respectively. It means that by now about one third of the Enterprise Software market is in the cloud – an impressive development over the last 15 years.

![Figure 14: Challenges of cloud adoption 2016](http://via.placeholder.com/150)

But is the transition going smoothly? While our survey demonstrates that vendors are keen on cloud delivery models, users from different verticals show vastly different levels of cloud adoption, with data privacy concerns being cited as one of the main reasons. In fact, cloud security in general is one of the main obstacles to 100% cloud adoption, according to the annual “State of the Cloud” survey by Rightscale from 2016.

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4 Statista 2016, Global revenue of the enterprise cloud computing market by region from 2013 to 2019
Can hybrid clouds mitigate security concerns?

Both public and private clouds have advantages and disadvantages. One major benefit of public clouds is that users only pay for the computing resources they actually consume. Moreover, the implied scalability enables companies to stay flexible in case of peak times or fluctuating project activities. However, using external public cloud resources has proved vulnerable to cyberattacks in the past, which is why companies often prefer using private cloud environments to handle confidential information. The IT department acts as an internal manager of cloud resources, giving the company more control over their infrastructure. Since many customers have hosted on-premise servers, whether or not an on-premise server is more secure, remains uncertain. However, employing a private cloud also requires higher internal outlays and potential problems with accessing your data from remote locations.

This might be why many market participants described hybrid clouds (a combination of public and private cloud) as the most promising solution. Leveraging internal infrastructure into a cloud environment via hybrid clouds addresses key concerns in a much more differentiated way and allows users to get comfortable with key concerns. In fact, the survey by Rightscale revealed that in 2016 71% of enterprises are adopting hybrid clouds, compared to 58% in 2015.

While users switch to hybrid clouds to mitigate their security concerns, the challenges posed by the combination of private and public cloud infrastructure for vendors persists. While almost all of the largest software vendors have a hybrid cloud offering (Microsoft Azure, Amazon Web Services, VMware vCloud Air, Google Cloud Platform, HP’s Helion), many of the IT security vendors rolled out cloud-specific security solutions (for instance Trend Micro or Akamai).

Cloud vendor certification might be another way out. There are, to date, a number of cloud certification providers in the market - such as Cloud Security Alliance, Rackspace, and Comp TIA. Enterprise Software vendors who develop their software in accordance with these industry standards are more likely to enjoy competitive advantages.

Mobility drives cloud adoption, but adds security pain points for enterprises

Cloud and mobile are two inseparable trends. Cloud applications are, by nature, built to be accessible from a multitude of devices. That is why we believe that another piece of the cloud security puzzle is the personal cloud. A personal cloud is a cloud environment used by a single person across multiple interconnected devices. Already, individuals in the developed world own on average 2.5 to 3.5 connected devices. With connectivity in emerging markets catching up, it is easy to see the potential growth in coming years, further fuelled by the expected versatility of interconnected gadgets and devices.

With companies increasingly adopting Bring-Your-Own-Device policies and the differences between personal and work devices gradually vanishing, managing a fleet of personal clouds is something not every IT department is capable of. When there are no established mechanisms to control data flows on devices not managed by the IT departments, numerous sources of potential security breaches remain unaddressed and require proper solutions. Currently we witness one of the highest innovation activity levels in this particular area and expect new solutions to soon be available on the market that would allow their users to leverage the full functionality of a cloud infrastructure while being fully compliant with their internal regulations.

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Enterprise Software: Revolutionising the Modern Workplace

Convergence of Enterprise and Consumer Software is on the way

The days of domination of professional solutions in the private domain are gone

“Consumerisation of Enterprise Software is more than a buzz-word and Salesforce demonstrates this already.”
Dr. Rolf Werner Head of Central Europe Fujitsu

For people born before the 1990s there was only one office suite - Microsoft Office. Back then IT development would originate in the professional world and slowly spill over into private households. People used this software outside of work, because there was no other offering in the market. Today, legacy software providers are often being pushed off their pedestals by solutions inspired by the consumer world which are more intuitive, easier to use and often more accessible. For a younger generation, Microsoft Office is no longer the de facto choice when it comes to creating a document or a table. For instance, both OpenOffice and LibreOffice, come with the major advantage of being absolutely free to download. So how can legacy providers ensure that they retain their client base in light of apparent loss of market power?

The end-user deserves more focus

The choice of Enterprise Software was traditionally made by managers and usually defined by functions and features. This strategy is changing as end-users gain more influence on what software is used in their working environment. Today’s corporate users – which is proved by our survey – expect the same simplicity and functionality from Enterprise Software that they experience with Consumer Software. The success of Slack is a perfect example of an app that revolutionised team communication by rigorously excluding the formality of business emails and adding functionality of a typical chat app – something people had been using for private communication for years.

More design centric initiatives mark a starting point

Good visual appeal of a software product is now essential. Large Enterprise Software providers have started aligning and adopting the easy and intuitive design of Consumer Software applications. SharePoint (Figure 15) provides a good case study on the clear improvement in the appearance of its interface, as end-users’ demands shifted.
Freemium models can be the next step in attracting new users

As software vendors are adjusting their products to retain users, revenue models need to be adjusted accordingly. Freemium and free-to-use models can become a winning strategy for vendors. While the model has already been established in the consumer segments with apps like Skype or Spotify providing their software for free and then generating revenues from add-on premium sales, in the Enterprise Software sector it is still relatively novel. However, early adopters such as Zenefits, a provider of online HR software, have shown significant growth in the last year and paved the way for other newcomers.

In the meantime, Consumer Software invades the enterprise

Vendors of Consumer Software have realised that if users love their product so much that they want to use it for work, there is a clear benefit in entering the enterprise field. Writing a quick message to HR in Skype for Business, scheduling a meeting in Google Calendars, sending your colleagues a link to a presentation stored in your Dropbox – Consumer Software vendors are prepared to make sure that all these tasks work as seamlessly as possible.

But can it successfully rival Enterprise Software?

The challenges that Consumer Software is facing in the corporate world are obvious – lack of security, mediocre data protection, and no back-up functionality. Dropbox, for instance, started as pure Consumer Software, but over time got picked up by organisations for enterprise usage. However, since no back-up was possible at the time, if an employee deleted a file in Dropbox, it...
was pretty much gone for everyone for ever. Only after Dropbox mitigated the majority of such issues did it become a widely acceptable professional data storage solution. The road to meeting compliance and security regulations, however, seems to be a longer one for many Consumer Software vendors.

Figure 16: Convergence of Enterprise and Consumer Software

Will Enterprise and Consumer Software ever fully converge?

“Enterprise and consumer solutions will merge, but when looking how Facebook and Google are struggling to enter the enterprise sector, it might take some time”
Noam Danon, Founder & CEO Qmarkets

When Consumer Software and Enterprise Software coincide in features and user experience it becomes harder to differentiate between them (Figure 16). Today, there are some exciting examples of software products that successfully cross the line between private and business usage and they mostly come from the largest vendors: Microsoft Office Suite, Google Apps. Social media marketing today is unimaginable without Facebook and Twitter, while Instagram and Pinterest are often used for sales. Evernote is used for both private and business notes. Full convergence of Enterprise and Consumer Software is yet far from being achieved, but it is exciting to observe how the process evolves spawning new market champions.
Decentralised decision-making defines a new era for software sales and IT departments

Regional diversity drives more specialised software adoption

The shift in decision power from top management to end-user runs through all levels of the company and also means that decisions are often made locally rather than centrally. Vendors, therefore, need to think not only about preferences of end-users, but also about geographical differences. Today, regional offices and end-users might enjoy more decision power than C-level executives and central-IT – a noticeable trend from the survey. If vendors want to keep companies as clients, they need to speak to these new decision-makers. The significant reduction in set-up costs of new delivery models further add to the fact that local choice of software also makes sense from an economic perspective.

Expanding your network is essential for success – Value-Added Distributors can help

To adapt to this new demanding environment, vendors need to enhance their networks in order to understand the specific needs of each region. It is no longer enough to build and maintain the right C-level relations. Vendors now need to truly grasp how local details including regulations and requirements shape the decision of each individual client as to which Enterprise Software solution to choose. We expect that many vendors will need to turn to value-added distributors and resellers. With a broader network and better understanding of markets, these intermediaries are able to connect to buyers in a way vendors cannot. Additionally, with the increasing supply of Enterprise Software covering niche needs, the importance of systems integrators, that are able to offer turn-key solutions, is expected to rise.

From implementation to consulting

With decentralisation of software adoption becoming apparent, the role of the corporate IT department is shifting dramatically. While a traditional task for IT was to select, install, and assist employees in using software, the new breed of IT departments consult with and improve the way employees use the software. Often, IT departments serve as an important medium between end-users and vendors, collecting users’ feedback and communicating it to vendors in order for software to be improved. At the same time, with the ever increasing number of software applications and possible security issues, IT departments can act as an internal regulator and compliance officer. Where installation and maintenance of software is still required, specialised integration solution providers are emerging such as eBECS, a Microsoft Business Solution partner in the UK.
Do end-users know what they use?

Another possible problem with end-users being the ones choosing the software is that casual users seldom explore the entire set of features offered by the software they download and therefore never fully realise the possibilities that come with it. It is therefore important that the IT department understands internal demand, and educates fellow employees on how to fully leverage the functionality of the software they use. This means that the new breed of IT departments must be curious and entrepreneurial and always on the lookout for the next best solution that caters to the needs of the company and its employees.

IT departments - the future go-to guys for software integration

Finally, IT departments will be held responsible for seamless integration of various software products used within the firm. The question is whether the market will be able to satisfy the demand for Enterprise Software? For instance, Gartner expects that demand for enterprise mobile applications in 2017 will grow five times faster than IT departments’ ability to deliver them. With the support of platforms such as Adobe Experience Manager, which provide tools for in-house application development, the gap could partially be bridged by internal IT professionals who understand the needs of their companies better than any external IT service provider. In addition, the possibilities and compatibility of different applications via API management products creates a whole new playing field, that might become a key responsibility for IT departments and, at the same time, a field of strategic differentiation.

http://www.gartner.com/newsroom/id/3076817
OVERVIEW OF CORPORATE FINANCE ACTIVITY

Market sentiment

The last quarter of 2015 was a turbulent period for the stock market as a whole. The major reasons for the increased volatility were the downturn in the Chinese economy, a slump in the oil price and uncertainty regarding the Federal Reserve’s interest rate policy. All of these affected markets for Enterprise Software, which saw share price drops and down rounds in private markets. This is described in GP Bullhound’s Technology Predictions 2016 research report. We see the change in market conditions favouring a “flight to quality”, where investors are starting to value profitability in favour of growth. Going forward, it is likely that IPOs will consist of more mature companies, with more sustainable earnings and growth projections. While the number of IPOs stagnated in the beginning of 2016, a sign of returning market strength was the WiseTech IPO as well as the Twilio IPO, both of which saw their stock skyrocket on the first day of trading.

The situation, however, is different for M&A and private placements (“PP”). 2015 was famously the most successful year for M&A activity since 2000 with more than USD 3.8 trillion in M&A volume globally. While some of the larger deals in other industries in the USA fell victim to antitrust scrutiny, the software sector was largely unaffected allowing multibillion deals to take place, such as SAP acquiring Concur, Fidelity Information Technology acquiring SunGard, as well as some major announcements such as Dell acquiring EMC. There has also been very high transaction activity among the known top consolidators, with Salesforce (about 50 acquisitions in 2014 H2-2016 H1 and a newly announced high-profile acquisition of Demandware) being just one of many examples. In June 2016, the Microsoft/LinkedIn deal was announced. Reaching a volume of USD 29.4bn, the deal continues the trend of multibillion dollar acquisitions.

We identified more than one and a half times more PPs in the Enterprise Software sector between 2014 H2 and 2016 H1 than M&A deals. This line of investment is in many ways ruled by its own principles, with investors looking to invest in smaller tickets but with higher potential returns. The so-called “hunt for growth” is still taking place and is not currently restricted by country borders with funds clearly ready to be invested internationally.

During the period, we have observed a discrepancy between the public and the private market valuations. While the observed transactions in the private markets are suggesting an increase in valuations (both on revenue and EBITDA), the public market multiples have decreased significantly and despite a recent recovery, might remain at this lower level for at least the medium term.

On an important note, it remains to be seen how far the recent outcome of the “Brexit” referendum (the decision of the UK to leave European Union) will affect corporate finance activity. So far it is clear that it brought a great deal of uncertainty to the markets with every aspect of a cross-border transaction – from currency effects to taxation – being affected. Since the UK will not technically leave the EU in the short term, we believe the uncertainty will persist over time becoming a factor companies and investors will have to account for when concluding deals. We, however, do not think that already planned deal activity would be postponed as a result.
IPO activity

The financial climate for Enterprise Software, and especially SaaS companies, has been positive in the last couple of years. In the period between 2014 H2 and 2016 H1 39 Enterprise Software companies (with fund raisings above USD 50m) were listed on the global stock markets, with aggregate funds raised of approximately USD 7.6bn.

**Figure 17: 2014H2 – 2016H1 Enterprise Software IPOs**

As seen in Figure 17, in the second half of 2014, 13 companies, with a total fund raising of USD 1.5bn, have gone public. The IPO market gained traction in the first half of 2015, but saw a downturn in 2015 Q3 driven by market turbulence around the Greek default in late June and the collapse of the Chinese stock market during the same period contributed to reduced deal activity. These two events triggered massive sell offs on the global stock markets and made many companies postpone their IPOs to 2015 Q4 and beyond.

After a somewhat slower 2015, many expected 2016 to make up for it. The year, however, has started poorly for the public markets with only two Enterprise Software companies, with a total fund raising of less than USD 0.3bn, having gone public in 2016 Q1. The slow markets may be due to a number of reasons, but mainly the poor performance of public markets since the beginning of this year combined with high private company valuations. Nonetheless, there are several major Enterprise Software candidates to still float later this year making up for the poor first quarter. One of them is AppDynamics, a real-time application performance tracking company. Its CEO David Wadhwani, appointed in 2015, said: “I was brought into this company to take it public, and that’s what I’m going to do.”

Figure 18 shows that the majority of Enterprise Software companies listing in 2014 H2 – 2016 H1 took place on US markets. NYSE alone stood for 13 listings (33% of the total number of transactions) with a total fund raising of USD 2.8bn (equal to 37% of total transaction volume). Outside of the US, LSE & AIM attracted the most companies with a total of four transactions and a total fund raising of about USD 1bn. It is also to be expected that many European Enterprise Software companies will postpone their decision to go public to evaluate the consequences of Brexit.

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8 Bloomberg, January 2016
As discussed previously, the whole Enterprise Software market in the last years has been strongly influenced by the transition to recurring revenue models. Four out of the nine analysed SaaS companies have seen a strong positive development in their share prices over the last two years as can be seen in Figure 19. Criteo has not improved its performance significantly and four further companies are trading at a lower price than two years ago.

**Figure 19: 2014H2 – 2016H1 SaaS companies share price performance**

Source: CapitalIQ
Note: Index 100 = 1 July, 2014
While the Nasdaq index has increased by 9%, many individual shares have seen far greater increases in value, up to ~196% in the same period. Some of the biggest value increases have been seen in Paycom, Zendesk, Ultimate Software and Salesforce. While the large performance spread indicates that company specific attributes are predominant as value drivers, the increased market volatility, especially after Brexit, will continue to influence the markets over the medium-term.

*Figure 20: NTM Recurring Revenue / EV multiples*

While share prices have generally been increasing over the last two years, publicly listed SaaS companies have largely seen a decline in valuation multiples as seen in Figure 20. We have assessed how the average of ~30 of the largest publicly listed companies moved during this period. In July 2014 we saw an average of the NTM (next twelve months) / EV ratio of 7.2x which was the peak during the analysed period, followed by a steady decrease leading to the downturn in February 2016 where valuations plummeted to 3.4 times sales. Going into the second half of 2016, the market has recovered with a trend towards rising revenue valuation multiples.

The decrease in valuation multiples may reflect new reluctance to pay premiums for high growth enterprise software companies, general scepticism about the sustainability of such growth rates in times of economic uncertainty and increasing market volatility, plus the recent private down rounds where write downs of close to 25% were made for companies such as Dropbox and AppNexus. Valuations have recovered since February but it is likely that the unstable market conditions and also the recent insecurity with regards to the European Union will create further volatility.
M&A activity

The Enterprise Software sector has shown solid performance with more than 3,300 transactions announced between 2014 H2 and 2016 H1. With a lot of corporate dry powder, the period saw a number of multibillion deals with increasing frequency in the second half of 2015 and the beginning of 2016 signifying strong momentum for Enterprise Software as a subsector of the technology market.

Figure 21: Enterprise Software M&A

North America (US and Canada) remains the centre of M&A activity with 40% of the total number of transactions during the period as seen in Figure 22. Still the most prominent transactions come from the US: Fidelity acquiring SunGard, a financial software provider, for USD 10.5bn, SAP acquiring Concur, a cloud provider of expense controlling and performance management, for USD 8.5bn.

Standing out from the crowd is the acquisition of EMC by Dell Inc. which Fortune described as the second largest acquisition in the tech sector of all time. The deal, which is not included in our overview above due to its distortive size, was announced in October 2015 with a total consideration to shareholders of a whopping USD 66.7bn.

Another transaction worth mentioning is Microsoft’s public to private buyout of LinkedIn. LinkedIn, which dropped more than 40% in value due an unsatisfactory 2016 Q1 earnings release, was bought for USD 29.4bn, which represented a 50% premium to their stock price. The deal was announced in June 2016 and is yet to be closed.

In Europe, the United Kingdom in general and London, more specifically, has historically been regarded the centre of corporate finance activity. In the last two years, 26% of all European M&A transactions took place in the UK. Following the country’s decision to leave the European Union, concerns have arisen regarding the UK’s ability to maintain its position as the leader in the number and volume of deals closed in Europe. Quite a few industry leaders voiced expectations that companies would flee the UK in favour of Germany and Israel, with both countries offering incentives to move.
In early 2015, some analysts argued that signs of a possible bubble could be observed on the Enterprise Software market with steadily increasing pre-money valuations as well as a larger number of late-stage deals closed in the field.

However, while public markets have seen a significant decrease in multiple valuations, private markets seem to be rising (though still trading at lower levels than public markets on average). TEV/revenue multiples reached a mean of 2.3x in 2015 and TEV/EBITDA a mean of 15.7x respectively showing signs of further growth in 2016. Nonetheless, given the wide spread of multiples it could be argued that the increase is rather caused by business specific factors and should therefore not be perceived as market consensus.

**Figure 22: M&A deals by geography**

**Figure 23: Largest consolidators in the Enterprise Software sector**

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Source: CapitalIQ
Note: Number of transactions includes both disclosed / un-disclosed deal volume
Among announced deals from strategic buyers, a look at the largest players reveals the importance of external innovation, and demonstrates the dominance of SaaS companies as targets (75% of all Enterprise Software targets were SaaS companies between 2014 H2 and 2016 H1) as seen in Figure 23 and Figure 24. Some of the companies, for instance Salesforce, acquire almost exclusively SaaS companies, while legacy players like Microsoft and SAP are also clearly following a SaaS dominated acquisition path, however at a more restricted pace. These vendors also seem to maintain an innovation-through-acquisition strategy often acquiring the strongest players in various Enterprise Software market sectors – at a certain scale it might be cheaper to buy innovation rather than create it on your own. This intense consolidation process, signified by higher than ever M&A deal volumes might also be justified by the market-imposed pressure on the largest players to remain in the forefront of innovation, which is largely achieved by sourcing innovation from the outside.
Private Placement & growth funding activity

Private Placement deals in Enterprise Software can still be characterised as an active field for all participants as there are more Private Placement transactions happening than M&A (approximately 6,300 transactions over two years versus 3,300 in M&A) as seen in Figure 25.

Figure 25: Enterprise Software Private Placements

![Figure 25](image-url)

Source: CapitalIQ
Note: Only transactions closed in the time period are included;
Number of transactions includes both disclosed / undisclosed deal volume

Figure 26 demonstrates that geographical dispersion for Private Placements in Enterprise Software is very similar to M&A, with North America accounting for 41% of all PP deals. In Europe the largest markets were UK, Germany, France and the Netherlands with approximately two thirds of the combined Private Placements.
We see a lot of US investors seeking investment opportunities in Europe, typically in ticket sizes between USD 15-20m, and a trend of US investors reducing their required ticket sizes in order to adjust to the most common fundraising volumes in Europe. In fact, in many cases with younger software businesses with recurring revenues of below USD 10-15m it may make more sense to carry out smaller fundraising rounds with regional investors before trying to reach out to investors overseas.

Some might claim that continental Europe is lagging behind in terms of capital invested, with US funds often choosing only the US as their investment territory. From our experience, there are a lot of US funds who are spreading their investment geographies between Europe and the US, with some US investors not requiring a US linked growth story to justify an investment in Europe. We expect this trend to continue. In addition, we clearly see European funds becoming more sophisticated investors in software and developing more defined investment strategies which will drive a competitive environment for software fundraises between the US and Europe in the future.

Private Placement valuations have been consistently growing during the period. The average TEV/revenue has increased noticeably and peaked in 2016 Q2 reaching 4.4x. The data indicates that financial investors are showing a strong appetite for software and in particular SaaS targets. While European investors are adjusting their investment preferences gradually with the entire European software eco-system developing towards cloud, some US software investors do not value non-recurring revenues at all.
SELECTED COMPANY PROFILES

Acrolinx develops, sells, and implements content optimisation software. It offers the cloud-based Acrolinx software which supports companies in analysing, measuring, improving, and unifying corporate content. The company was founded in 2002 and is headquartered in Berlin, Germany.

Adex is focused on data management and real time advertising. Its main product is the DMP software that collects and analyses data in order for clients to tailoring their advertising in real time. The company was founded in 2013 and is headquartered in Berlin, Germany.

Adform is a provider of cross device tools for digital advertising. Customers include Deutsche Telekom, Sky, and other high profile blue chip clients. The company was founded in 2002 and is headquartered in Copenhagen, Denmark.

Adjust is a business intelligence platform for mobile app marketers. It offers mobile application tracking and attribution solutions as well as analytical tools. The company was founded in 2012 and is headquartered in Berlin, Germany.

Apptus is a developer of CRM systems for e-commerce customers. Its main product is the eSales software, a tool that uses real-time data such as search engine history to customise e-commerce sites. The customers of Apptus include major Nordic e-commerce platforms such as QLIRO and Dustin. The company was founded in 2000 and is headquartered in Lund, Sweden.

Aquila Insight operates a big data analytics consultancy. It has worked with several British blue chip companies such as Tesco Bank, The Co-operative Bank and, Swinton Insurance. The company was founded in 2012 and is headquartered in Edinburgh, UK.

Bizagi develops software for business process management. It has developed a software suite that covers process mapping, app development, and BPM execution. Bizagi has a broad client base spanning from financial institutions such as GE Capital to retail, for example Adidas. The company was founded in 1989 and is headquartered in London, UK.

Blue Yonder is a cloud-based platform for artificial intelligence and predictive applications. Solutions include demand planning, stock replenishment, and dynamic pricing. It serves customers in a variety of industries. The company was founded in 2008 and is headquartered in Karlsruhe, Germany.
Brainloop offers SaaS solutions that enables customers to securely manage internal and external documents. The company has over 700 customers, among these most of the DAX 30 companies. The Company was founded in 2000 and is headquartered in Munich, Germany.

Brandmaker offers Market Resource Management (MRM) solutions to its customers. Its software assists organisations throughout the entire marketing process. The company was founded in 1999 and is based in Karlsruhe, Germany.

Cleverbridge provides a cloud-based software to e-commerce platforms. Its products include payment processing, business intelligence, and CRM systems to cloud-based companies. The company was founded in 2005 and is headquartered in Cologne, Germany.

Como offers customer content management solutions, including app creation. The apps developed by the Como software focus on loyalty programs. The company was founded in 2010 and is headquartered in New York, USA.

Content Square provides dig data analytics. It analyses customer behaviour on homepages, allowing clients to track in detail and how their webpage is used. The company has several blue chip clients such as L’Oréal, Michelin and Orange. The company was founded in 2008 and is headquartered in Paris, France.

CoreMedia develops content management software (CMS), digital rights management (DRM), and web TV. Its customers include several blue chip companies across Europe. The company was founded in 1996 and is headquartered in Hamburg, Germany.

Darktrace offers Enterprise Immune System technology for cyber security. Its software uses self-learning technologies able to learn network patterns and identify security threats. Founded in 2013 by mathematicians and machine learning specialists from the University of Cambridge it is still headquartered in Cambridge, UK.

eBECS is a system integration solutions provider. Its offering spans across a variety of Microsoft solutions with a special focus on Dynamics. The have supported a number of blue chip clients including Aston Martin and G4S. The company was founded in 1999 and is based in Chesterfield, UK.
Elastic operates open source big data analytics tools. Its main product is Elasticsearch which has helped media houses including The Guardian and other companies such as Goldman Sachs to optimise their web content in real-time. The company was founded in 2012 and is headquartered in Mountain View, USA.

Episerver is a provider of web content management, online social community and e-commerce platforms. The company is operating globally with customers such as American Express, De Beers, Electrolux, and Sony. The company was founded in 1994 and is headquartered in Nashua, USA.

FACTON provides enterprise standard software which enables producers of complex products to calculate product costs across the organisation, both on-premise and in the cloud. Its global client base comprises leading companies in the automotive, industrials and advisory sector. The company was founded in 1998 and is headquartered in Potsdam, Germany.

Gelato provides cloud software for the printing industry. The software connects idle printing capacity and makes it easier for SMEs and consumers to get access to professional printing. The company was founded in 2007 and is headquartered in Oslo, Norway.

iAdvize has developed a real time customer engagement platform. The platform helps clients increase customer satisfaction as well as adapt to trends in real time. iAdvize work with blue chip clients such as BNP Paribas, Credit Agricole, and Lacoste. The company was founded in 2010 and is headquartered in Nantes, France.

Jedox is focused on Business Intelligence and corporate performance management. It has developed the Jedox software that is both cloud and mobile based. This software has been launched in 23 different languages. The company was founded in 2002 and is headquartered in Freiburg, Germany.

Loadimpact provides cloud-based software for load testing of webpages, apps and APIs. Its software simulates traffic that come from different geographical locations, devices, and browsers. The company was founded 2009 and is headquartered in Stockholm, Sweden.

ePages offers cloud-based software for e-commerce clients. The company offers a number of products including ePages, an on-demand ship system. The company was founded in 1983 and is headquartered in Hamburg, Germany.
Mailjet is a provider of cloud-based e-mail services. The services of Mailjet include CRM support, templates, and dedicated IP-services. Clients include top ranked universities such as MIT and corporates such as TAG Heuer. The company was founded in 2010 and is headquartered in Paris, France.

Metapack offers delivery management solutions to online retailers. It is integrated with several parcel carriers such as DHL, FedEx, Royal Mail, and City Link. The company was founded 1999 and is headquartered in London, UK.

Medius is a provider of cloud-based invoice solutions. Its main product is the MediusFlow software that allows customers to automate the invoice process, including validations and archiving. The company was founded in 2001 and is headquartered in Linköping, Sweden.

M-files provides document management solutions. It operates both as a cloud-based service and as on-premise software and can be integrated with several leading enterprise systems. The company was founded 2001 and is headquartered in Dallas, USA.

MovingImage24 offers an innovative managed video platform for their customers where videos are quickly shared on all devices with internet access. Content is integrated through APIs with any established system (CMS, DAM, PIM). The company was founded in 2004 and is headquartered in Berlin, Germany.

Netclean provides content scanning and blocking solutions for the web. It has developed a software that focuses on blocking homepages containing child abuse. Customers include several government and NGOs. The company was founded in 2003 and is headquartered in Gothenburg, Sweden.

Nfon provides cloud-based telephone systems. Its technology is based on IP-Centrex and makes it possible for clients to outsource the telephone system from company sites, to a central data center operated by Nfon. The company was founded in 2007 and is headquartered in Munich, Germany.

NumberFour develops a business platform for small business clients. Offering includes procurement, sales, productivity, and financial services. The company was founded in 2009 and is headquartered in Berlin, Germany.
Onpage.org is developing SaaS based SEO software and has worked with several high profile companies such as Disney, Zalando and Sixt trust. The company was founded in 2012 and is headquartered in Munich, Germany.

Oodrive is a leading European provider of secure online file management. These services includes online backup solutions. They have a broad client base from SMEs to 55% of the companies on the main French stock exchange. The company was founded in 2000 and is headquartered in Paris, France.

Orderbird is a SaaS based Point of Sales (POS) systems for the restaurant and hospitality industry. The software is optimised for use on iPads and has over 5,000 customers. The company was founded in 2011 and is headquartered in Berlin, Germany.

Order Dynamics provides Omni-channel solutions to retailers, including order management systems, commerce platforms, and point of service applications. It was founded in 2000 but as of 2013 it operates as a subsidiary of eCommera. The company is based in Richmond Hill, Canada.

OX Open-Xchange develops and sells web-based communication and productivity software. Its products allow for integration of emails, documents, schedules and social media. The company was founded in 2005 and is headquartered in Nuremburg, Germany.

Performance Horizon is the leading provider of SaaS solutions for partner marketing, enabling large digital content, retail, travel and financial services companies to drive significant sales through their online marketing partners and affiliates. Performance Horizon was founded in 2010 and is headquartered in Newcastle, UK.

Piriform offers a suite of computer optimisation solutions. Its core product, the CCleaner, improves both speed, security and frees up hard disk space and has been installed over 1 billion times. The company was founded in 2005 and is headquartered in London, UK.

Qmarkets offers a suite of software that supports enterprises to crowdsource decision making and innovation. Its platform has approx. 2.3 million users and around 0.5 million decisions have been made to date using the software. The company was founded in 2006 and is headquartered in Rosh Haayin, Israel.
Enterprise Software: Revolutionising the Modern Workplace

Qubit

Qubit uses big data to customise e-commerce through features like customer intelligence and web personalisation. It operates over all devices and in real-time. The company was founded in 2010 and is headquartered in London, UK.

Rant and Rave

Rant and Rave provides a suite of customer engagement solutions including proactive customer communication and fast-feedback. The company’s broad blue chip client base includes HSBC, Atos, and Vodafone. The company was founded in 2000 and is headquartered in Coventry, UK.

Rapidminer

Rapidminer is an open-source data analytical and predictive platform. The platform enables companies to collect, model, and analyse data in a quick manner. It serves customers over a broad range of industries. The company was founded in 2007 and is headquartered in Cambridge, USA.

Realitymine

Realitymine develops customer behavioural analytics technology. Its main product Touchpoints analyses customers across all devices and tracks how behaviour differs depending on device. The company was founded in 2012 and is headquartered in Manchester, UK.

Riskmethods

Riskmethods provides cloud-based, supply-chain risk assessment software that allows customers to model, monitor, and visualise using real-time analytics. Current customer base includes blue chip clients such as Bosch, McGraw Hill, and Swisscom. The company was founded in 2013 and is headquartered in Munich, Germany.

Scality

Scality is a provider of software defined storage solutions. Scality has developed the RING software that provides safe online storage without any pre-determined hardware requirement. Customers include blue chip companies such as Orange, Comcast, and Daily Motion. The company was founded in 2009 and is headquartered in San Francisco, USA.

Searchmetrics

Searchmetrics is a leading company within SEO. Its product Suite helps customers to optimise homepages by pre-defined business goals such as increased sales. The company was founded in 2007 and is headquartered in Berlin, Germany.

Service Partner One

Service Partner One offers an innovative digital office and service management platform for managing services in the fields of office cleaning, handymen services, office & material supply. The company was founded in 2015 and is headquartered in Berlin, Germany.
Signavio provides business process modelling, and analysis. Its main product, the Signavio Process Editor, is used by several verticals such as the finance industry, academic institutions, and the retail sector. The company was founded in 2009 and is headquartered in Berlin, Germany.

Siteimprove offers a suite of SaaS based web governance solutions. The services includes manage SEO, website monitoring & analytics, and website optimisation. Its clients consists small start-ups as well as large Fortune 500 companies. The company was founded in 2003 and is based in Copenhagen, Denmark.

Skyscape services is a provider of cloud-based software to the UK public sector. The company provides different cloud-based infrastructure services such as storage, software, and platforms. Example of customers are local governments and the National Health Service. The company was founded in 2012 and is based Farnborough, UK.

SMACC offers a cloud-based accounting software for small and medium sized companies. Offering includes payroll management, expense management, taxation and annual reports. The company was founded in 2015 and is headquartered in Potsdam, Germany.

Smartly.io develops tools for optimisation of social media advertising. The software is operating in real time and aims to streamline social media advertising. Customers include Boozt.com, Foodpanda, and Nelly.com. The company was founded in 2013 and is headquartered in Helsinki, Finland.

Synthesio is a market leader in analysing social media. Its customers include several blue chip companies such as Virgin Atlantic, Selfridges, and BNP Paribas. The company was founded in 2006 and is headquartered in New York, USA.

Talentsoft develops SaaS based HR systems. These systems help companies with both recruitment and internal HR policies. Examples of customers are Aeroports de Paris and the French postal agency. The company was founded in 2007 and is headquartered in Boulogne, France.

TeamViewer provides desktop sharing solutions and other online collaboration tools. Its software has been downloaded over 200,000 times. The company was founded in 2005 and is headquartered in Göppingen, Germany.
think-cell

Think-cell provides a Microsoft Office add-in which simplifies usage of e.g. PowerPoint and Excel. Tink-cell is used by over 8,500 companies all across the globe. The company was founded in 2002 and is headquartered in Berlin, Germany.

Trade Extensions

Trade Extensions develops software to solve strategic problems using quantitative methods. Clients include major blue chip companies such as P&G, Tesco, AT Kearney, and Kimberly-Clark. The company was founded in 2000 and is headquartered in Uppsala, Sweden.

Tradeshift

Tradeshift operates a cloud-based platform for day to day process such as invoicing, supplier financing and workflow management. Its software is approved by the EU commission, and as such, to work within government purchasing. The company was founded in 2005 and is headquartered in San Francisco, USA.

Treasury Intelligence Solutions

Treasury Intelligence Solutions provides a cloud-based platform for liquidity management and corporate payments for SMEs and multinationals. Examples of customers are Air Swiss, VW, and Swissgrid. The company was founded in 2010 and is headquartered in Walldorf, Germany.

Unifaun

Unifaun provides cloud-based transport management solutions. It is the leading provider of TM solutions in the Nordic region and work with clients such as DHL, DB Schenker and DSV. The company was founded in 2014 as a result of a merger between Memnon and Unifaun. The company headquartered in Stockholm, Sweden.

VE interactive

VE interactive provides support to e-commerce companies globally. Its products include VeAssists, an onsite product matching tool. Examples of clients are MUJI, a leading Japanese retailer, American Airlines, and The British Museum. The company was founded in 2009 and is headquartered in London, UK.

Virtualstock

Virtualstock provides an analytical cloud-based supply chain software. Services include real-time inventory management and stock optimisation to ensure a seamless customer experience. The company was founded in 2004 and headquartered in Reading, UK.
Dealmakers in Technology

GP. Bullhound
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