



HEADWATERS | MB

HEADWATERS TMT MUST READ LIST
BEST ARTICLES FROM THE WEEK OF
AUGUST 10TH, 2015

HEADWATERS TMT MUST READ LIST – BEST ARTICLES FROM THE WEEK OF AUGUST 10TH, 2015

Deal News

Carlyle & GIC / Symantec Veritas – Symantec Corp., the company synonymous with antivirus software, is slimming down to focus on security tools that hackers can't so easily defeat. The company said Tuesday it had agreed to sell its Veritas data-storage and recovery business to investors led by private-equity firm Carlyle Group LP for \$8 billion in cash. Other investors in Veritas include GIC, Singapore's sovereign-wealth fund. The deal underscores growing competition in computer security as data breaches routinely land on front pages and evening newscasts. Symantec helped pioneer the industry with its antivirus software during the 1980s and 1990s. But it has fallen behind as intruders learned how to outsmart its software. It also faces new rivals, including Cylance Inc., CrowdStrike Inc. and FireEye Inc., with different approaches to blocking hackers or alerting customers when they are under attack. ([WSJ](#))

FIS / SunGard – Fidelity National Information Services Inc. agreed to buy SunGard for \$5.1 billion in cash and stock, a decade after a group of private-equity firms acquired the financial software company in one of the signature deals of the buyout boom that preceded the financial crisis. The deal will end plans by SunGard's owners to take it public. The Wayne, Pa., company had tapped underwriters for an initial public offering, The Wall Street Journal reported this year. Fidelity National, known as FIS, is paying the private-equity firms \$2.3 billion in cash and \$2.8 billion of its shares for SunGard. The FIS shares were valued in the deal at \$62.33, their price before press reports late last month detailing talks between the companies, according to people familiar with the matter. The shares rose about 8% to around \$70 midday Wednesday. FIS said it plans to take on and refinance SunGard's debt as part of the deal. SunGard said in a quarterly financial report that it had about \$4.7 billion of long-term debt at the end of June. ([WSJ](#))

Infor / GT Nexus – Infor Inc., the business-software supplier run by former Oracle Corp. executive Charles Phillips, agreed to buy manufacturing-software maker GT Nexus for \$675 million. Infor, a closely held maker of manufacturing, government and health-care programs based in New York, is buying Oakland, California-based GT Nexus for its supply-chain management software that can be distributed and updated on the Web. Infor said in a statement Tuesday it expects to complete the purchase within 45 days. The deal is part of Phillips's strategy to compete with Oracle and SAP SE by letting customers leave elaborate business-management systems that run at headquarters untouched while supplying those clients' plants with programs specialized by industry and delivered via cloud computing. GT Nexus makes software that manages production and shipments to stores for companies including Nike Inc., Adidas AG, Home Depot Inc. and Procter & Gamble Co., and their suppliers. ([Bloomberg](#))

Investnet / Yodlee – Investnet Inc., a Chicago-based provider of online investment tools, said it has reached a deal to acquire Yodlee Inc. in a cash-and-stock transaction that values the company at about \$590 million. Yodlee, which provides personal-finance apps to 11 of the country's top 20 banks by assets, was featured in a front-page article of The Wall Street Journal last Friday that highlighted the firm's side business of selling access to some anonymous bank-customer transaction data to investment and research firms. The business is part of an arms race among investment firms seeking "alternative data" to help them find clues about spending trends that could move stock prices. The data is so valuable that some firms have paid more than \$2 million for an annual subscription, according to people familiar with the matter. Point72 Asset Management LLP and Tiger Global Management LLC are among Yodlee's data clients. ([WSJ](#))

Shentel / nTelos – Shenandoah Telecommunications Company today announced that it has entered into a definitive agreement to acquire NTELOS Holdings Corp., a wireless communications provider, for \$9.25 per share in cash for a total equity value of approximately \$208 million, after including shares expected to vest on change of control. Under the terms of the agreement, Shentel will acquire all of nTelos' stock and operations including wireless network assets, retail stores and approximately 298,000 retail subscribers in the nTelos Western Markets. ([MarketWatch](#))

HEADWATERS TMT MUST READ LIST – BEST ARTICLES FROM THE WEEK OF AUGUST 10TH, 2015

Financing / IPO News

Pure Storage – Pure Storage Inc., a data-storage startup valued privately at roughly \$3 billion, filed to go public in what may become a crush of initial public offerings by business-technology firms. The Silicon Valley company is part of a wave of startups and large companies that are making corporate storage gear based on the kind of chips used to store data in mobile devices. Flash memory technology, as it is called, offers a series of advantages over disk drives, including greater speed, savings on electrical power and resistance to breakdowns. Pure is among a cadre of companies trying to remake the \$2 trillion annual market for corporate technology by taking advantage of emerging innovations. More such startups are expected to seek to go public in coming months, venture-capital investors say. ([WSJ](#)) ([S-1](#))

Tesla – In a prospectus filed today by the company, Tesla announced the intention to sell up to 2,100,000 shares of common stock. Underwriters will also receive a 30-day option to purchase up to 315,000 additional shares. Using August 13th's closing price of \$238.17 per share, the company expects net proceeds from the offering to be around \$492.6 million, or \$566.5 million if the underwriters exercise their option to purchase additional shares in full. The stock jumped about 2 percent on Thursday to around \$245 per share after this announcement, which is a sign that investors are more confident in a well-capitalized Tesla. However, this share price is still about 8 percent lower than the three-month average for the stock, which came after disappointing production estimates last week during the company's Q2 earnings call. ([TechCrunch](#))

Vox – NBCUniversal is investing \$200 million in digital media company Vox Media, whose brands include news site Vox, food blog Eater, the sports-focused SB Nation and the tech blog Re/code. NBCUniversal, which is owned by Comcast Corp., said Wednesday that it hopes to build a partnership with Vox that involves collaborating on editorial content, advertising and technology. A representative declined to comment beyond the announcement. A person familiar with the matter who was not authorized to comment publicly confirmed that the investment values privately held Vox at \$1 billion. For context, The New York Times Co., which is publicly traded, is valued at about \$2.1 billion. Philadelphia-based Comcast already has a separate investment in Vox through its venture arm, Comcast Ventures. The investment comes amid the growing popularity of digital media brands, especially among younger people. Vox's headquarters are in New York and Washington. ([AP](#))

View – View, a company which specializes in creating something called dynamic glass, raised a ton of new capital Thursday to fund their specialized windows that can change tint in response to weather conditions or smartphone commands. The company announced a raise of \$150 million in funding Thursday. Those participating in the round included NZ Super Fund, Corning Incorporated, Madrone Capital Partners and others. The company has already raised nearly \$500 million to date. ([TechCrunch](#))

G5 – G5, the leader in maximizing digital marketing effectiveness for the property management sector, today announced the closing of a \$76 million investment led by Radnor, Pa.-based Peak Equity Partners, a private equity firm focused on the enterprise software market. The investment enables G5 to build on its ten-year history of growth and innovation by accelerating feature development of the G5 Marketing Cloud – the most innovative, scalable, and up-to-date digital marketing platform in the property management sector. ([VentureBeat](#))

HEADWATERS TMT MUST READ LIST – BEST ARTICLES FROM THE WEEK OF AUGUST 10TH, 2015

Industry News

Alphabet Is Now The Parent Company Of Google– Google is no longer just one company. Yesterday, founder Larry Page announced in a blog post that Google is breaking up into smaller pieces, pieces that can be, in his words, more ambitious. And this new entity has a new name - Alphabet Inc. Alphabet will act as the mothership for all of the various ventures that Google is involved in including Calico (their longevity program), Google (search, advertising, etc), Google X (their labs division), and others. ([NPR](#))

Corporate Venture Capital is King in Japan – When it comes to raising money in the U.S., corporate venture capital is seemingly synonymous with “Plan C.” If you can’t raise money from top-tier firms, you move on to Plan B, second-tier firms. Failing that, Plan C is corporate. There are exceptions, but corporate does tend to be the last resort: The place you go when your company has been shopped, or your valuation is so high that the only investors insane enough to write you a check have hoards of “dumb money” to spend. This is not the case in Japan as tech entrepreneurs don’t have a choice but to accept corporate venture capital. Corporate investors’ sole purpose is not financial return. From a management perspective, the corporate venture arm is seen as an R&D or corporate development expense. ([TechCrunch](#))

Ad-Blocking Software Will Cost the Ad Industry \$22B This Year – The report, published by Adobe and PageFair, a Dublin-based startup that helps advertisers thwart blockers, said ad-blocking software will lead to nearly \$22 billion in lost advertising revenue this year – representing a 41% rise from 2014. One third of all Internet users now use some software to block ads, according to the companies. The rise of ad-blocking software is a response to both privacy concerns and to the sheer prevalence of digital ads. Some users object to the collection of personal data, while others find ads – particularly those that follow users across devices – to be annoying and to slow down their systems. ([WSJ](#))

And on a lighter note...

“Next Gen Stats” Venture in the NFL – As Richard Sherman sprints side-by-side with Calvin Johnson, who is running faster? When Luke Kuechly collides with DeMarco Murray, who has more momentum? And which NFL players run slower in the fourth quarter than they did at the start of the game? Thanks to nickel-sized transmitters on each players’ uniform and high-tech tracking systems at all NFL stadiums, fans will have a vast new set of statistics to study this season. ([AP](#))