

Investment Banking

*Valuation, Leveraged Buyouts,
and Mergers & Acquisitions*

Precedent Transactions Analysis - Template

JOSHUA ROSENBAUM
JOSHUA PEARL

(\$ in millions)

List of Comparable Acquisitions

Date Announced	Acquirer	Target	Transaction Type	Target Business Description	Equity Value	Enterprise Value	LTM Sales
3/27/23	KORE	Twilio	Outstanding Shares	Twilio enables companies to use communication data in order to add security to all aspects of transactions.	\$517	\$3,710	\$3,826
12/20/21	Oracle Corporation	Cerner Corporation	Cash	Cerner is a software company building intelligent solutions for the health care industry. They connect people worldwide with facilities for clinical, financial, and operational needs.	28,490	30,916	5,765
3/8/22	Google Inc.	Mandiant	Cash Buyout	Mandiant is a cybersecurity company specializing in threat detection, investigation services, and helping organizations identify and handle security breaches and cyberattacks.	10,192	13,081	484
6/13/16	Microsoft	LinkedIn	Cash	LinkedIn connects the work force population. It is a social media account for professionals. The vision is to create economic opportunity for every member of the global workforce.	28,808	36,750	2,991
7/18/16	Oracle	NetSuite Inc.	Stock	NetSuite Inc. pioneered the Cloud Computing revolution, establishing the world's first company dedicated to delivering business applications over the Internet. They provided a suite of cloud-based financials/Enterprise	10,040	11,652	1,165
1/0/00	Acquirer	Target	NA	[to come]	-	-	-
1/0/00	Acquirer	Target	NA	[to come]	-	-	-
1/0/00	Acquirer	Target	NA	[to come]	-	-	-
1/0/00	Acquirer	Target	NA	[to come]	-	-	-
1/0/00	Acquirer	Target	NA	[to come]	-	-	-

ValueCo Corporation

Precedent Transactions Analysis

(\$ in millions)

Date Announced	Acquirer	Target	Transaction Type	Purchase Consideration	Equity Value	Enterprise Value	Enterprise Value /			LTM EBITDA Margin	Equity Value /		Premiums Paid		
							LTM Sales	LTM EBITDA	LTM EBIT		LTM Net Income		Days Prior to Unaffected		
													1	7	30
3/27/23	KORE	Twilio	Outstanding Shares	0.115	\$517	\$3,710	1.0x	-5.3x	-3.8x	-18%	-0.5x		1%	126%	53%
12/20/21	Oracle Corporation	Cerner Corporation	Cash	28.3B	28,490	30,916	5.4x	21.7x	43.7x	25%	94.2x		100%	100%	103%
3/8/22	Google Inc.	Mandiant	Cash Buyout	5.4B	10,192	13,081	27.1x	-213.0x	-83.8x	-13%	-46.6x		88%	89%	89%
6/13/16	Microsoft	LinkedIn	Cash	26.2B	28,808	36,750	12.3x	178.7x	-171.1x	7%	-166.8x		10%	10%	12%
7/18/16	Oracle	NetSuite Inc.	Stock	9.3B	10,040	11,652	10.0x	-121.7x	-83.9x	-8%	-62.9x		36%	37%	17%
1/0/00	Acquirer	Target	NA	NA	-	-	NA	NA	NA	NA	NA		NA	NA	NA
1/0/00	Acquirer	Target	NA	NA	-	-	NA	NA	NA	NA	NA		NA	NA	NA
1/0/00	Acquirer	Target	NA	NA	-	-	NA	NA	NA	NA	NA		NA	NA	NA
1/0/00	Acquirer	Target	NA	NA	-	-	NA	NA	NA	NA	NA		NA	NA	NA
1/0/00	Acquirer	Target	NA	NA	-	-	NA	NA	NA	NA	NA		NA	NA	NA
Mean							11.1x	-27.9x	-59.8x	-2%	-36.5x	↑	47%	72%	55%
Median							10.0x	-5.3x	-83.8x	-8%	-46.6x	↑	36%	89%	53%
High							27.1x	178.7x	43.7x	25%	94.2x		100%	126%	103%
Low							1.0x	-213.0x	-171.1x	-18%	-166.8x		1%	10%	12%

Source: Company filings

Acquisition of Twilio by KORE

Input Page

(\$ in millions, except per share data)

General Information		
Target		Twilio
Ticker		TWLO
Fiscal Year Ending		Dec-31
Marginal Tax Rate		22.0%
Acquirer		KORE
Ticker		KORE
Fiscal Year Ending		Dec-31
Date Announced		3/27/23
Date Effective		6/1/23
Transaction Type		Outstanding Shares
Purchase Consideration		11.50%
Calculation of Equity and Enterprise Value		
Offer Price per Share		
Cash Offer Price per Share		\$2.80
Stock Offer Price per Share		0.03
Exchange Ratio	0.02	
KORE Share Price	\$1.25	
Offer Price per Share		\$2.83
Fully Diluted Shares Outstanding		182,994
Implied Equity Value		\$517.0
Implied Enterprise Value		
Plus: Total Debt		1,200.0
Plus: Preferred Stock		121.2
Plus: Noncontrolling Interest		1,220.0
Less: Cash and Cash Equivalents		651.8
Implied Enterprise Value		\$3,710.0
LTM Transaction Multiples		
EV/Sales		1.0x
Metric	\$3,826.3	
EV/EBITDA		(5.3x)
Metric	(\$704.9)	
EV/EBIT		(3.8x)
Metric	(\$984.0)	
P/E		(0.5x)
Metric	(\$5.45)	
Premiums Paid		
Transaction Announcement	Premium	
1 Day Prior	\$2.80	0.9%
Unaffected Share Price		
1 Day Prior	\$2.80	0.9%
7 Days Prior	1.25	126.0%
30 Days Prior	1.85	52.7%
Source Documents		
	Period	Date Filed
Twilio 10-K	12/31/22	2/23/23
Twilio 10-Q	9/30/22	11/4/22
Twilio 8-K		8/8/23
Twilio DEFM14A		6/6/23
KORE 424B		8/10/23
KORE 8-K		9/6/23

Reported Income Statement				
	FYE 12/31/22	Prior Stub 1/0/00	Current Stub 1/0/00	LTM 1/0/00
Sales	\$3,826.3	-	-	\$3,826.3
COGS	2,012.0	-	-	2,012.0
Gross Profit	\$1,814.3	-	-	\$1,814.3
SG&A	2,760.0	-	-	2,760.0
Other Expense / (Income)	38.3	-	-	38.3
EBIT	(\$984.0)	-	-	(\$984.0)
Interest Expense	-	-	-	-
Pre-tax Income	(\$984.0)	-	-	(\$984.0)
Income Taxes	12.5	-	-	12.5
Noncontrolling Interest	-	-	-	-
Preferred Dividends	-	-	-	-
Net Income	(\$996.5)	-	-	(\$996.5)
Effective Tax Rate	(1.3%)	NA	NA	(1.3%)
Weighted Avg. Diluted Shares	183.0	-	-	183.0
Diluted EPS	(\$5.45)	NA	NA	NA
Adjusted Income Statement				
Reported Gross Profit	\$1,814.3	-	-	\$1,814.3
Non-recurring Items in COGS	-	-	-	-
Adjusted Gross Profit	\$1,814.3	-	-	\$1,814.3
% margin	47.4%	NA	NA	47.4%
Reported EBIT	(\$984.0)	-	-	(\$984.0)
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Adjusted EBIT	(\$984.0)	-	-	(\$984.0)
% margin	(25.7%)	NA	NA	(25.7%)
Depreciation & Amortization	279.1	-	-	279.1
Adjusted EBITDA	(\$704.9)	-	-	(\$704.9)
% margin	(18.4%)	NA	NA	(18.4%)
Reported Net Income	(\$996.5)	-	-	(\$996.5)
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Non-operating Non-rec. Items	-	-	-	-
Tax Adjustment	-	-	-	-
Adjusted Net Income	(\$996.5)	-	-	(\$996.5)
% margin	(26.0%)	NA	NA	(26.0%)
Adjusted Diluted EPS	(\$5.45)	-	-	(\$5.45)
Cash Flow Statement Data				
Depreciation & Amortization	279.1	-	-	279.1
% sales	7.3%	NA	NA	7.3%
Capital Expenditures	(37.4)	-	-	(37.4)
% sales	(1.0%)	NA	NA	(1.0%)
Notes				
(1)	[to come]			
(2)	[to come]			
(3)	[to come]			
(4)	[to come]			
(5)	[to come]			

Target Description				
Twilio enables companies to use communication data in order to add security to all aspects of transactions.				
Acquirer Description				
Kore is a trusted advisor delivering critical IoT solutions and services in order to empower organizations to improve operations and business results.				
Comments				
[to come]				
Calculation of Fully Diluted Shares Outstanding				
Basic Shares Outstanding				182,994
Plus: Shares from In-the-Money Options				-
Less: Shares Repurchased from Option Proceeds				-
Net New Shares from Options				-
Plus: Shares from Convertible Securities				-
Fully Diluted Shares Outstanding				182,994
Options/Warrants				
Tranche	Number of Shares	Exercise Price	In-the-Money Shares	Proceeds
Batch 1	-	-	-	-
Batch 2	-	-	-	-
Batch 3	-	-	-	-
Batch 4	-	-	-	-
Batch 5	-	-	-	-
Total	-	-	-	-
Convertible Securities				
	Amount	Conversion Price	Conversion Ratio	New Shares
Issue 1	-	-	-	-
Issue 2	-	-	-	-
Issue 3	-	-	-	-
Issue 4	-	-	-	-
Issue 5	-	-	-	-
Total	-	-	-	-

Acquisition of Cerner Corporation by Oracle Corporation

Input Page

(\$ in millions, except per share data)

General Information		
Target	Cerner Corporation	
Ticker		CERN
Fiscal Year Ending		Dec-31
Marginal Tax Rate		21.0%
Acquirer	Oracle Corporation	
Ticker		ORCL
Fiscal Year Ending		May-31
Date Announced		12/20/21
Date Effective		6/8/22
Transaction Type		Cash
Purchase Consideration		28.3B
Calculation of Equity and Enterprise Value		
Offer Price per Share		
Cash Offer Price per Share		\$95.00
Stock Offer Price per Share		94.94
Exchange Ratio	1.33	
Oracle Corporation Share Price	\$71.38	
Offer Price per Share		\$189.94
Fully Diluted Shares Outstanding		150,000
Implied Equity Value		\$28,490.3
Implied Enterprise Value		
Plus: Total Debt		1,836.3
Plus: Preferred Stock		-
Plus: Noncontrolling Interest		-
Less: Cash and Cash Equivalents		589.8
Implied Enterprise Value		\$30,916.4
LTM Transaction Multiples		
EV/Sales		5.4x
Metric		\$5,764.8
EV/EBITDA		21.7x
Metric		\$1,427.1
EV/EBIT		43.7x
Metric		\$708.3
P/E		94.2x
Metric		\$2.02
Premiums Paid		
Transaction Announcement	Premium	
1 Day Prior	\$94.92	100.1%
Unaffected Share Price		
1 Day Prior	\$94.92	100.1%
7 Days Prior	94.85	100.2%
30 Days Prior	93.67	102.8%
Source Documents		
	Period	Date Filed
Cerner Corporation 10-K	12/31/21	2/22/22
Cerner Corporation 10-Q	9/30/21	10/29/21
Cerner Corporation 8-K		6/8/21
Cerner Corporation DEFM14A		4/22/22
Oracle Corporation 424B		2/3/23
Oracle Corporation 8-K		9/11/23

Reported Income Statement				
	FYE 12/31/22	Prior Stub 1/0/00	Current Stub 1/0/00	LTM 1/0/00
Sales	\$5,764.8	-	-	\$5,764.8
COGS	1,001.0	-	-	1,001.0
Gross Profit	\$4,763.8	-	-	\$4,763.8
SG&A	3,156.9	-	-	3,156.9
Other Expense / (Income)	898.7	-	-	898.7
EBIT	\$708.3	-	-	\$708.3
Interest Expense	(43.5)	-	-	(43.5)
Pre-tax Income	\$751.8	-	-	\$751.8
Income Taxes	143.9	-	-	143.9
Noncontrolling Interest	-	-	-	-
Preferred Dividends	-	-	-	-
Net Income	\$607.9	-	-	\$607.9
Effective Tax Rate	19.1%	NA	NA	19.1%
Weighted Avg. Diluted Shares	301.6	-	-	301.6
Diluted EPS	\$2.02	NA	NA	NA
Adjusted Income Statement				
Reported Gross Profit	\$4,763.8	-	-	\$4,763.8
Non-recurring Items in COGS	-	-	-	-
Adjusted Gross Profit	\$4,763.8	-	-	\$4,763.8
% margin	82.6%	NA	NA	82.6%
Reported EBIT	\$708.3	-	-	\$708.3
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Adjusted EBIT	\$708.3	-	-	\$708.3
% margin	12.3%	NA	NA	12.3%
Depreciation & Amortization	718.9	-	-	718.9
Adjusted EBITDA	\$1,427.1	-	-	\$1,427.1
% margin	24.8%	NA	NA	24.8%
Reported Net Income	\$607.9	-	-	\$607.9
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Non-operating Non-rec. Items	-	-	-	-
Tax Adjustment	-	-	-	-
Adjusted Net Income	\$607.9	-	-	\$607.9
% margin	10.5%	NA	NA	10.5%
Adjusted Diluted EPS	\$2.02	-	-	\$2.02
Cash Flow Statement Data				
Depreciation & Amortization	718.9	-	-	718.9
% sales	12.5%	NA	NA	12.5%
Capital Expenditures	289.7	-	-	289.7
% sales	5.0%	NA	NA	5.0%

Notes

- (1) [to come]
- (2) [to come]
- (3) [to come]
- (4) [to come]
- (5) [to come]

Target Description				
Cerner is a software company building intelligent solutions for the health care industry. They connect people worldwide with facilities for clinical, financial, and operational needs.				
Acquirer Description				
Oracle is a computer technology corporation that creates software products and services. They are known for cloud and license, hardware, and services. They sell cloud-engineering services, systems and database management systems.				
Comments				
[to come]				
Calculation of Fully Diluted Shares Outstanding				
Basic Shares Outstanding				150,000
Plus: Shares from In-the-Money Options				-
Less: Shares Repurchased from Option Proceeds				-
Net New Shares from Options				-
Plus: Shares from Convertible Securities				-
Fully Diluted Shares Outstanding				150,000
Options/Warrants				
Tranche	Number of Shares	Exercise Price	In-the-Money Shares	Proceeds
Batch 1	-	-	-	-
Batch 2	-	-	-	-
Batch 3	-	-	-	-
Batch 4	-	-	-	-
Batch 5	-	-	-	-
Total	-	-	-	-
Convertible Securities				
	Amount	Conversion Price	Conversion Ratio	New Shares
Issue 1	-	-	-	-
Issue 2	-	-	-	-
Issue 3	-	-	-	-
Issue 4	-	-	-	-
Issue 5	-	-	-	-
Total	-	-	-	-

Acquisition of Mandiant by Google Inc.

Input Page

(\$ in millions, except per share data)

General Information		
Target		Mandiant
Ticker		Mandiant
Fiscal Year Ending		Dec-31
Marginal Tax Rate		-
Acquirer		Google Inc.
Ticker		GOOG
Fiscal Year Ending		Dec-31
Date Announced		3/8/22
Date Effective		9/12/22
Transaction Type		Cash Buyout
Purchase Consideration		5.4B
Calculation of Equity and Enterprise Value		
Offer Price per Share		
Cash Offer Price per Share		\$23.00
Stock Offer Price per Share		20.14
Exchange Ratio	0.18	
Google Inc. Share Price	\$111.87	
Offer Price per Share		\$43.14
Fully Diluted Shares Outstanding		236.267
Implied Equity Value		\$10,191.8
Implied Enterprise Value		
Plus: Total Debt		1,734.8
Plus: Preferred Stock		-
Plus: Noncontrolling Interest		-
Less: Cash and Cash Equivalents		1,154.5
Implied Enterprise Value		\$13,081.1
LTM Transaction Multiples		
EV/Sales		27.1x
Metric		\$483.5
EV/EBITDA		(213.0x)
Metric		(\$61.4)
EV/EBIT		(83.8x)
Metric		(\$156.1)
P/E		(46.6x)
Metric		(\$0.93)
Premiums Paid		
Transaction Announcement		Premium
1 Day Prior	\$22.98	87.7%
Unaffected Share Price		
1 Day Prior	\$22.98	87.7%
7 Days Prior	22.86	88.7%
30 Days Prior	22.86	88.7%
Source Documents		
	Period	Date Filed
Mandiant 10-K	12/31/21	3/1/22
Mandiant 10-Q	6/30/22	8/4/22
Mandiant 8-K		9/12/22
Mandiant DEFM14A		5/27/22
Google Inc. 424B		1/0/00
Google Inc. 8-K		1/0/00

Reported Income Statement				
	FYE 12/31/22	Prior Stub 1/0/00	Current Stub 1/0/00	LTM 1/0/00
Sales	\$483.5	-	-	\$483.5
COGS	254.4	-	-	254.4
Gross Profit	\$229.1	-	-	\$229.1
SG&A	383.8	-	-	383.8
Other Expense / (Income)	1.4	-	-	1.4
EBIT	(\$156.1)	-	-	(\$156.1)
Interest Expense	59.3	-	-	59.3
Pre-tax Income	(\$215.4)	-	-	(\$215.4)
Income Taxes	3.4	-	-	3.4
Noncontrolling Interest	-	-	-	-
Preferred Dividends	-	-	-	-
Net Income	(\$218.8)	-	-	(\$218.8)
Effective Tax Rate	(1.6%)	NA	NA	(1.6%)
Weighted Avg. Diluted Shares	236.4	-	-	236.4
Diluted EPS	(\$0.93)	NA	NA	NA
Adjusted Income Statement				
Reported Gross Profit	\$229.1	-	-	\$229.1
Non-recurring Items in COGS	-	-	-	-
Adjusted Gross Profit	\$229.1	-	-	\$229.1
% margin	47.4%	NA	NA	47.4%
Reported EBIT	(\$156.1)	-	-	(\$156.1)
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Adjusted EBIT	(\$156.1)	-	-	(\$156.1)
% margin	(32.3%)	NA	NA	(32.3%)
Depreciation & Amortization	94.7	-	-	94.7
Adjusted EBITDA	(\$61.4)	-	-	(\$61.4)
% margin	(12.7%)	NA	NA	(12.7%)
Reported Net Income	(\$218.8)	-	-	(\$218.8)
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Non-operating Non-rec. Items	-	-	-	-
Tax Adjustment	-	-	-	-
Adjusted Net Income	(\$218.8)	-	-	(\$218.8)
% margin	(45.3%)	NA	NA	(45.3%)
Adjusted Diluted EPS	(\$0.93)	-	-	(\$0.93)
Cash Flow Statement Data				
Depreciation & Amortization	94.7	-	-	94.7
% sales	19.6%	NA	NA	19.6%
Capital Expenditures	25.5	-	-	25.5
% sales	5.3%	NA	NA	5.3%

Notes

- (1) [to come]
- (2) [to come]
- (3) [to come]
- (4) [to come]
- (5) [to come]

Target Description				
Mandiant is a cybersecurity company specializing in threat detection, investigation services, and helping organizations identify and handle security breaches and cyberattacks.				
Acquirer Description				
Google Cloud is a cloud computing platform from Google that provides services for business such as storage, data analytics and machine learning.				
Comments				
[to come]				
Calculation of Fully Diluted Shares Outstanding				
Basic Shares Outstanding				236.267
Plus: Shares from In-the-Money Options				-
Less: Shares Repurchased from Option Proceeds				-
Net New Shares from Options				-
Plus: Shares from Convertible Securities				-
Fully Diluted Shares Outstanding				236.267
Options/Warrants				
Tranche	Number of Shares	Exercise Price	In-the-Money Shares	Proceeds
Batch 1	-	-	-	-
Batch 2	-	-	-	-
Batch 3	-	-	-	-
Batch 4	-	-	-	-
Batch 5	-	-	-	-
Total	-	-	-	-
Convertible Securities				
	Amount	Conversion Price	Conversion Ratio	New Shares
Issue 1	-	-	-	-
Issue 2	-	-	-	-
Issue 3	-	-	-	-
Issue 4	-	-	-	-
Issue 5	-	-	-	-
Total	-	-	-	-

Acquisition of LinkedIn by Microsoft

Input Page

(\$ in millions, except per share data)

General Information		
Target		LinkedIn
Ticker		LNKD
Fiscal Year Ending		Dec-31
Marginal Tax Rate		23.0%
Acquirer		Microsoft
Ticker		MSFT
Fiscal Year Ending		Dec-31
Date Announced		6/13/16
Date Effective		12/8/16
Transaction Type		Cash
Purchase Consideration		26.2B
Calculation of Equity and Enterprise Value		
Offer Price per Share		
Cash Offer Price per Share		\$196.00
Stock Offer Price per Share		18.91
Exchange Ratio	0.31	
Microsoft Share Price	\$61.01	
Offer Price per Share		\$214.91
Fully Diluted Shares Outstanding		134.047
Implied Equity Value		\$28,808.5
Implied Enterprise Value		
Plus: Total Debt		2,569.8
Plus: Preferred Stock		-
Plus: Noncontrolling Interest		4,612.2
Less: Cash and Cash Equivalents		759.5
Implied Enterprise Value		\$36,750.0
LTM Transaction Multiples		
EV/Sales		12.3x
Metric	\$2,990.9	
EV/EBITDA		178.7x
Metric	\$205.7	
EV/EBIT		(171.1x)
Metric	(\$214.8)	
P/E		(166.8x)
Metric	(\$1.29)	
Premiums Paid		
Transaction Announcement		Premium
1 Day Prior	\$196.00	9.6%
Unaffected Share Price		
1 Day Prior	\$195.96	9.7%
7 Days Prior	195.31	10.0%
30 Days Prior	191.32	12.3%
Source Documents		
	Period	Date Filed
LinkedIn 10-K	12/31/15	12/31/15
LinkedIn 10-Q	3/31/16	3/31/16
LinkedIn 8-K		1/0/00
LinkedIn DEFM14A		1/0/00
Microsoft 424B		1/0/00
Microsoft 8-K		1/0/00

Reported Income Statement				
	FYE 12/31/15	Prior Stub 1/0/00	Current Stub 1/0/00	LTM 1/0/00
Sales	\$2,990.9	-	-	\$2,990.9
COGS	418.9	-	-	418.9
Gross Profit	\$2,572.0	-	-	\$2,572.0
SG&A	2,723.0	-	-	2,723.0
Other Expense / (Income)	63.8	-	-	63.8
EBIT	(\$214.8)	-	-	(\$214.8)
Interest Expense	-	-	-	-
Pre-tax Income	(\$214.8)	-	-	(\$214.8)
Income Taxes	(50.0)	-	-	(50.0)
Noncontrolling Interest	1.4	-	-	1.4
Preferred Dividends	-	-	-	-
Net Income	(\$166.2)	-	-	(\$166.2)
Effective Tax Rate	23.3%	NA	NA	23.3%
Weighted Avg. Diluted Shares	129.0	-	-	129.0
Diluted EPS	(\$1.29)	NA	NA	NA
Adjusted Income Statement				
Reported Gross Profit	\$2,572.0	-	-	\$2,572.0
Non-recurring Items in COGS	-	-	-	-
Adjusted Gross Profit	\$2,572.0	-	-	\$2,572.0
% margin	86.0%	NA	NA	86.0%
Reported EBIT	(\$214.8)	-	-	(\$214.8)
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Adjusted EBIT	(\$214.8)	-	-	(\$214.8)
% margin	(7.2%)	NA	NA	(7.2%)
Depreciation & Amortization	420.5	-	-	420.5
Adjusted EBITDA	\$205.7	-	-	\$205.7
% margin	6.9%	NA	NA	6.9%
Reported Net Income	(\$166.2)	-	-	(\$166.2)
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Non-operating Non-rec. Items	-	-	-	-
Tax Adjustment	-	-	-	-
Adjusted Net Income	(\$166.2)	-	-	(\$166.2)
% margin	(5.6%)	NA	NA	(5.6%)
Adjusted Diluted EPS	(\$1.29)	-	-	(\$1.29)
Cash Flow Statement Data				
Depreciation & Amortization	420.5	-	-	420.5
% sales	14.1%	NA	NA	14.1%
Capital Expenditures	507.2	-	-	507.2
% sales	17.0%	NA	NA	17.0%

Notes

- (1) [to come]
- (2) [to come]
- (3) [to come]
- (4) [to come]
- (5) [to come]

Target Description				
LinkedIn connects the work force population. It is a social media account for professionals. The vision is to create economic opportunity for every member of the global workforce.				
Acquirer Description				
Microsoft is the leader platform and productivity company for the mobile-first, cloud-first world, and its mission is to empower every person and organizations to advance.				
Comments				
[to come]				
Calculation of Fully Diluted Shares Outstanding				
Basic Shares Outstanding				132.779
Plus: Shares from In-the-Money Options				1.777
Less: Shares Repurchased from Option Proceeds				(0.509)
Net New Shares from Options				1.268
Plus: Shares from Convertible Securities				-
Fully Diluted Shares Outstanding				134.047
Options/Warrants				
Tranche	Number of Shares	Exercise Price	In-the-Money Shares	Proceeds
Batch 1	1.777	\$61.55	1.777	\$109.4
Batch 2	-	-	-	-
Batch 3	-	-	-	-
Batch 4	-	-	-	-
Batch 5	-	-	-	-
Total	1.777		1.777	\$109.4
Convertible Securities				
	Amount	Conversion Price	Conversion Ratio	New Shares
Issue 1	-	-	-	-
Issue 2	-	-	-	-
Issue 3	-	-	-	-
Issue 4	-	-	-	-
Issue 5	-	-	-	-
Total				-

Acquisition of NetSuite Inc. by Oracle

Input Page

(\$ in millions, except per share data)

General Information		
Target		NetSuite Inc.
Ticker		NetSuite Inc.
Fiscal Year Ending		Sep-30
Marginal Tax Rate		8.0%
Acquirer		Oracle
Ticker		ORCL
Fiscal Year Ending		Sep-30
Date Announced		7/18/16
Date Effective		11/7/16
Transaction Type		Stock
Purchase Consideration		9.3B
Calculation of Equity and Enterprise Value		
Offer Price per Share		
Cash Offer Price per Share		\$109.00
Stock Offer Price per Share		14.02
Exchange Ratio	0.36	
Oracle Share Price	\$39.09	
Offer Price per Share		\$123.02
Fully Diluted Shares Outstanding		81.615
Implied Equity Value		\$10,040.0
Implied Enterprise Value		
Plus: Total Debt		902.3
Plus: Preferred Stock		0.8
Plus: Noncontrolling Interest		329.4
Less: Cash and Cash Equivalents		379.2
Implied Enterprise Value		\$11,651.7
LTM Transaction Multiples		
EV/Sales		10.0x
Metric	\$1,165.0	
EV/EBITDA		(121.7x)
Metric	(\$95.8)	
EV/EBIT		(83.9x)
Metric	(\$138.9)	
P/E		(62.9x)
Metric	(\$1.96)	
Premiums Paid		
Transaction Announcement		Premium
1 Day Prior	\$109.00	12.9%
Unaffected Share Price		
1 Day Prior	\$90.34	36.2%
7 Days Prior	90.00	36.7%
30 Days Prior	105.19	16.9%
Source Documents		
	Period	Date Filed
NetSuite Inc. 10-K	12/31/15	12/31/15
NetSuite Inc. 10-Q	9/31/2016	9/31/2016
NetSuite Inc. 8-K		1/0/00
NetSuite Inc. DEFM14A		1/0/00
Oracle 424B		1/0/00
Oracle 8-K		1/0/00

Reported Income Statement				
	FYE 9/30/16	Prior Stub 6/30/15	Current Stub 6/30/16	LTM 6/30/16
Sales	\$895.0	\$177.3	\$447.3	\$1,165.0
COGS	312.0	59.1	156.0	408.9
Gross Profit	\$583.0	\$118.2	\$291.4	\$756.2
SG&A	699.0	121.4	272.5	850.1
Other Expense / (Income)	-	32.5	77.4	44.9
EBIT	(\$116.0)	(\$35.7)	(\$58.6)	(\$138.9)
Interest Expense	-	(3.5)	(7.5)	(4.0)
Pre-tax Income	(\$116.0)	(\$32.2)	(\$51.0)	(\$134.8)
Income Taxes	19.1	(7.2)	2.2	28.5
Noncontrolling Interest	-	-	-	-
Preferred Dividends	-	-	-	-
Net Income	(\$135.1)	(\$25.0)	(\$53.2)	(\$163.3)
Effective Tax Rate	(16.5%)	22.5%	(4.3%)	(21.1%)
Weighted Avg. Diluted Shares	81.1	78.0	80.4	83.5
Diluted EPS	(\$1.67)	(\$0.32)	(\$0.66)	(\$2.01)
Adjusted Income Statement				
Reported Gross Profit	\$583.0	\$118.2	\$291.4	\$756.2
Non-recurring Items in COGS	-	-	-	-
Adjusted Gross Profit	\$583.0	\$118.2	\$291.4	\$756.2
% margin	65.1%	66.7%	65.1%	64.9%
Reported EBIT	(\$116.0)	(\$35.7)	(\$58.6)	(\$138.9)
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Adjusted EBIT	(\$116.0)	(\$35.7)	(\$58.6)	(\$138.9)
% margin	(13.0%)	(20.1%)	(13.1%)	(11.9%)
Depreciation & Amortization	37.3	13.4	19.2	43.1
Adjusted EBITDA	(\$78.7)	(\$22.3)	(\$39.4)	(\$95.8)
% margin	(8.8%)	(12.6%)	(8.8%)	(8.2%)
Reported Net Income	(\$135.1)	(\$25.0)	(\$53.2)	(\$163.3)
Non-recurring Items in COGS	-	-	-	-
Other Non-recurring Items	-	-	-	-
Non-operating Non-rec. Items	-	-	-	-
Tax Adjustment	-	-	-	-
Adjusted Net Income	(\$135.1)	(\$25.0)	(\$53.2)	(\$163.3)
% margin	(15.1%)	(14.1%)	(11.9%)	(14.0%)
Adjusted Diluted EPS	(\$1.67)	(\$0.32)	(\$0.66)	(\$1.96)
Cash Flow Statement Data				
Depreciation & Amortization	37.3	13.4	19.2	43.1
% sales	4.2%	7.6%	4.3%	3.7%
Capital Expenditures	48.9	23.2	24.1	49.8
% sales	5.5%	13.1%	5.4%	4.3%
Notes				
(1) [to come]				
(2) [to come]				
(3) [to come]				
(4) [to come]				
(5) [to come]				

Target Description				
NetSuite Inc. pioneered the Cloud Computing revolution, establishing the world's first company dedicated to delivering business applications over the Internet. They provided a suite of cloud-based financials/ Enterprise Resource Planning and omnichannel commerce software that runs the business of more than 30,000 companies in over 100 companies.				
Acquirer Description				
Oracle offers a comprehensive and fully integrated stack of cloud applications and platform services.				
Comments				
[to come]				
Calculation of Fully Diluted Shares Outstanding				
Basic Shares Outstanding				81.143
Plus: Shares from In-the-Money Options				1.088
Less: Shares Repurchased from Option Proceeds				(0.616)
Net New Shares from Options				0.472
Plus: Shares from Convertible Securities				-
Fully Diluted Shares Outstanding				81.615
Options/Warrants				
Tranche	Number of Shares	Exercise Price	In-the-Money Shares	Proceeds
Batch 1	1.088	\$69.69	1.088	\$75.8
Batch 2	-	-	-	-
Batch 3	-	-	-	-
Batch 4	-	-	-	-
Batch 5	-	-	-	-
Total	1.088		1.088	\$75.8
Convertible Securities				
	Amount	Conversion Price	Conversion Ratio	New Shares
Issue 1	-	-	-	-
Issue 2	-	-	-	-
Issue 3	-	-	-	-
Issue 4	-	-	-	-
Issue 5	-	-	-	-
Total				-

Market Transactions Comparable Analysis.

The three main transactions I chose to focus on were directly in the immediate software industry of cloud communications. The two transactions I chose were Kore Group Holdings acquiring Twilio Inc., Oracle acquiring Cerner, and Microsoft acquiring LinkedIn.

Twilio is the company I selected to focus on this quarter. Their transaction type was not a full acquisition, but a way for the CEO, Jeff Lawson, to maintain ownership within his company while KORE is helping the company grow with a transaction of Twilio owning 11.5% of KORE's outstanding shares. In the last 5 years, Twilio has grown, yet its expenses outweigh its revenues resulting in a negative EBITDA in the past. The hope is that with a new business model and help from KORE Twilio, it will grow to be the company it is intended to be.

The Oracle acquisition of Cerner was a full buyout for a price of 28.3B evaluating Cerner at \$95.00 per share. According to Oracle, Cerner is an anchor asset so Oracle can expand into the healthcare industry. With the acquisition of Cerner, Oracle is expected to scale up its cloud business in the hospital and health system market. There is a \$3.8T market for healthcare alone, according to Safra Catz, Oracle's CEO, they expect this transaction to act as a huge growth engine for years to come.

The Microsoft acquisition of LinkedIn was another cash buyout with a price of \$26.2B. In this case, the CEO of LinkedIn, Jell Weiner, remains but reports to Satya Nadella, CEO of Microsoft. This new relationship with Microsoft and the combination of their cloud allows a major advance in tech and to change the way the world works. Microsoft hopes to use the LinkedIn buyout to also grow Microsoft Office 365 and dynamics as they seek to empower every person and organization on the planet.

For this case since Twilio was not a full buyout, and potentially be bought out with its expected growth, I wanted to focus on Cerner and LinkedIn to get an estimate for what it could be the acquiring price.

P/E Ratio: Equity value/ LTM net income

Cerner

28,490.3B= equity value

601.9= LTM net income

$28,490,000,000 / 601.9 = \text{PE Ratio} = 47.33$

LinkedIn

28.8B=equity value

-166.2= LTM Net Income

$28,800 / -166.2 = \text{PE Ratio} = -173.29$

EBITDA multiple Enterprise value/EBITDA

Cerner

30,916=Enterprise Value

1,427= EBITDA

$30,916 / 1,427 = \text{EBITDA Multiple} = 21.7x$

LinkedIn

36,750=Enterprise Value

205.7=EBITDA

$36,750/205.7=178.7x$

Sales Multiple Enterprise Value/LTM Sales**Cerner**

30,916=Enterprise Value

166,946.4=LTM Sales

Sales Multiple=5.4x

LinkedIn

36,750=Enterprise Value

452,025=LTM Sales

Sales Multiple= 12.3x

TWLO

PE Ratio: $517/-996 = -0.52$

EBITDA Multiple= -5.3x

Sales Multiple= 1.0x

Average Sales Multiple x LTM Sales of TWLO

$6.23x \times 3,710 = 23.125B$

Comparable to the other two acquisitions, TWLO is way smaller on the statistical side of comparison. The company is relatively new and still has so much room to grow. They are one of the top performers in cloud-based communications. With the help of KORE, and the new business model, TWLO hopes to grow. They will not be acquired for any big buyouts such as Cerner or LinkedIn.

The financial statistic that made the most sense for evaluating a possible buy of Twilio was to focus on their sales multiple. I took the average sales multiple and multiplied it by the last twelve months of sales for Twilio yielding a buyout price of around \$23B. The PE-Ratio was not comparable because it is negative for TWLO, because the company has been dealing with negative EBITDA, as well as the EBITDA multiple rendered a value far too high because both companies were performing very well. The EBITDA Multiple values for Cerner and LinkedIn were far too high to compare Twilio's struggling EBITDA count.