

Sale of a Company

Client: ACTA Technology

The Client: ACTA delivers the best-of-class data Extracting, Transforming, and Loading (ETL) software tools in the market today. They provide the first and only real-time data integration software platform that makes corporate (particularly ERP) data available across the extended enterprise. With over 200 customers and an international presence, Acta is well positioned to drive the "data integration market" which industry analysts now predict to be huge in the coming years.

Sequoia's Challenge: ACTA was well regarded as a "visionary" leader in its market space. Sector consolidation and increased competition precipitated interest in ACTA among several potential strategic acquirers. Our challenge was rationalizing these discussions into an acceptable transaction valuation, given the toughest financial market for technology companies in a generation. In fact, public valuations of the interested buyers declined over 60% in the four months of our engagement. At every turn, the caustic and cautious business environment threatened to derail this transaction. Completing a transaction without having it re-traded (valued lower) during the due diligence period was unusual in such difficult times.

Results: ACTA was acquired for solid strategic reasons by Business Objects. From handshake through to signed definitive agreement, we were able to hold the price at an all cash transaction of \$72.2 million (including carve-out), reflecting greater than four times trailing 12 month revenues. We feel proud to have accomplished this great result on behalf of a wonderful company, despite a decrease in the buyer's market value of almost 65%. ACTA's products will become a significant asset for Business Objects.

"I can't imagine having gotten through this process (successfully) with anyone but the two of you representing the shareholders. It was your unrelenting, professionalism and commitment to a successful outcome that got us to this endpoint!"

David Strohm
General Partner
Greylock