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CONFIDENTIAL

AUGUST 2019

PROJECT RAVEN

Discussion Materials

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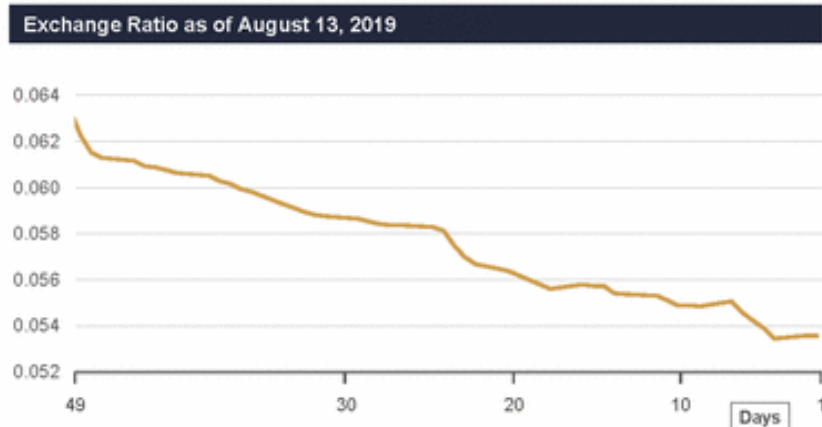
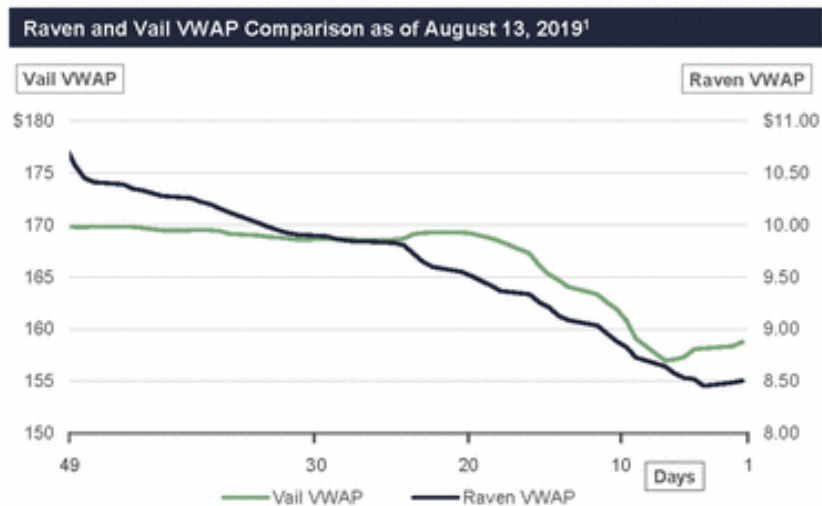


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VWAP Metrics and Implied Exchange Ratios

(\$ in millions, except per share values)



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Source: Company filings and FactSet as of 8/13/2019.
 1 VWAP based on number of trading days.

Exchange Ratios for Different VWAP Periods¹

	Implied Exchange Ratio	Based on Vail Current		Based on Vail VWAP	
		Implied Consideration	Implied Premium to Raven Current	Implied Consideration	Implied Premium to Raven Current
Current Share Price	0.053544	\$8.46	0.0%	\$8.46	0.0%
5-Day VWAP	0.054231	\$8.57	1.3%	\$8.53	0.9%
10-Day VWAP	0.054876	\$8.67	2.5%	\$8.89	5.0%
20-Day VWAP	0.056005	\$8.85	4.6%	\$9.46	11.8%
Post-Q1 VWAP (48 Days)	0.061903	\$9.78	15.6%	\$10.57	25.0%

Recent trading implies exchange ratio of ~0.055

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Total Value at Different Mixes of Consideration

(\$ in millions, except per share values)

		Cash Consideration Per Class A Share				
		\$14.75	\$15.00	\$15.25	\$15.50	
Exchange Ratio to Class B Shares	Valuing Vail Shares at Current Spot (\$158.00)	0.0535 (Current)	\$2,747 (\$11.60)	\$2,791 (\$11.73)	\$2,835 (\$11.86)	\$2,879 (\$11.99)
		0.0549 (10-Day VWAP)	2,779 (\$11.71)	2,823 (\$11.83)	2,867 (\$11.96)	2,911 (\$12.09)
		0.0550	2,782 (\$11.72)	2,826 (\$11.84)	2,870 (\$11.97)	2,914 (\$12.10)
		0.0560	2,806 (\$11.79)	2,850 (\$11.92)	2,894 (\$12.05)	2,938 (\$12.18)
	Valuing Vail Shares at 10-Day VWAP (\$161.93)	0.0535 (Current)	\$2,779 (\$11.70)	\$2,823 (\$11.83)	\$2,867 (\$11.96)	\$2,911 (\$12.09)
		0.0549 (10-Day VWAP)	2,812 (\$11.81)	2,856 (\$11.94)	2,900 (\$12.07)	2,944 (\$12.20)
		0.0550	2,815 (\$11.82)	2,859 (\$11.95)	2,903 (\$12.08)	2,947 (\$12.21)
		0.0560	2,840 (\$11.90)	2,884 (\$12.03)	2,928 (\$12.16)	2,972 (\$12.29)
	Valuing Vail Shares at Post-Q1 VWAP (\$170.80, 53 Days)	0.0535 (Current)	\$2,852 (\$11.94)	\$2,896 (\$12.07)	\$2,940 (\$12.20)	\$2,984 (\$12.33)
		0.0549 (10-Day VWAP)	2,887 (\$12.06)	2,931 (\$12.19)	2,975 (\$12.31)	3,019 (\$12.44)
		0.0550	2,890 (\$12.07)	2,934 (\$12.20)	2,978 (\$12.33)	3,022 (\$12.45)
		0.0560	2,916 (\$12.15)	2,960 (\$12.28)	3,004 (\$12.41)	3,048 (\$12.54)

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Source: Raven Management, Company filings and FactSet as of 8/13/2019.
 Note: Figures represent aggregate enterprise value with implied blended per share value in parentheses.



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Analysis of Various Offer Prices for Class A Shares

(\$ in millions, except per share values)

	Current Vail Bid					Current Raven Ask			Bid / Ask Spread
Offer Price for Class A Shares	\$14.25	\$14.50	\$14.75	\$15.00	\$15.25	\$15.50	\$15.75		
Consideration for Basic Class A Shares	\$1,406	\$1,430	\$1,455	\$1,479	\$1,504	\$1,529	\$1,553	\$148	
Consideration for Options & RSU's	449	462	476	490	503	517	531	82	
Total Consideration for Class A Shareholders	\$1,854	\$1,892	\$1,931	\$1,969	\$2,007	\$2,046	\$2,084	\$230	
Consideration for Diamond Class B Shares at Proposed Exchange Ratio	\$1,141	\$1,141	\$1,141	\$1,141	\$1,141	\$1,141	\$1,141	\$0	
Total Consideration for Stake Not Owned by Vail	\$2,995	\$3,033	\$3,072	\$3,110	\$3,148	\$3,187	\$3,225	\$230	
Implied Aggregate Price per Share	\$11.46	\$11.59	\$11.72	\$11.84	\$11.97	\$12.10	\$12.23	\$0.78	
Implied Vail Fully Diluted Ownership	14.5%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%		
Grossed Up Equity Value (Implied Value of 100%)	\$3,502	\$3,546	\$3,590	\$3,634	\$3,678	\$3,722	\$3,766	\$264	
(-) Net Cash ¹	(808)	(808)	(808)	(808)	(808)	(808)	(808)	0	
Enterprise Value	\$2,694	\$2,738	\$2,782	\$2,826	\$2,870	\$2,914	\$2,958	\$264	
Memo									
Proposed Raven / Vail Exchange Ratio	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550		
EV / FY 2021 Revenue (Vail Mgmt.)	3.37x	3.42x	3.48x	3.53x	3.59x	3.64x	3.70x		
Premium to Current - Class A Shareholders (%)	68%	71%	74%	77%	80%	83%	86%		
Blended Premium to Current - All Shareholders (%)	24%	25%	26%	27%	27%	28%	29%		

Exchange Ratio	Implied Consideration Per Share @ Current Market	Total Consideration to Diamond	Aggregate Impact	Enterprise Value Sensitivity						
Current (0.0535x)	\$8.46	\$1,111	--	\$2,658	\$2,702	\$2,747	\$2,791	\$2,835	\$2,879	\$2,923
10-Day VWAP (0.0549x)	\$8.67	1,138	\$28	2,691	2,735	2,779	2,823	2,867	2,911	2,955
20-Day VWAP (0.0560x)	\$8.85	1,162	51	2,718	2,762	2,806	2,850	2,894	2,938	2,982
30-Day VWAP (0.0585x)	\$9.25	1,214	103	2,779	2,823	2,867	2,911	2,955	2,999	3,043
Post-Q1 VWAP (0.0619x)	\$9.78	1,284	173	2,961	2,905	2,949	2,993	3,037	3,081	3,125

Exchange Ratio	Implied Consideration Per Share @ Vail VWAP	Total Consideration to Diamond	Aggregate Impact	Enterprise Value Sensitivity						
Current (0.0535x)	\$8.46	\$1,111	--	\$2,658	\$2,702	\$2,747	\$2,791	\$2,835	\$2,879	\$2,923
10-Day VWAP (0.0549x)	\$8.89	1,167	\$56	2,724	2,768	2,812	2,856	2,900	2,944	2,988
20-Day VWAP (0.0580x)	\$9.46	1,242	132	2,812	2,856	2,900	2,944	2,988	3,032	3,076
30-Day VWAP (0.0585x)	\$9.87	1,296	185	2,875	2,919	2,963	3,007	3,051	3,095	3,139
Post-Q1 VWAP (0.0619x)	\$10.57	1,388	277	2,983	3,027	3,071	3,115	3,159	3,203	3,247

Source: Raven Management, Company filings and FactSet as of 8/13/2019.

Note: Consideration for Diamond Class B Shares calculated using proposed exchange ratio of 0.0550.

¹ Includes non-controlling interest of \$671k as of May 3, 2019 and cash balance of \$808.6m as of August 2, 2019.

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Raven Valuation Summary – In-Vail View

(\$ in millions)

		In-Vail Metric	Enterprise Value		Comments
Public Company Comparables	CY19 / FY20 Revenue	\$735	\$2,206	\$4,045	<ul style="list-style-type: none"> Assumed Range: 3.00x – 5.50x 1st Quartile: 3.26x Median: 4.18x
	CY20 / FY21 Revenue	\$800	\$2,199	\$3,798	<ul style="list-style-type: none"> Assumed Range: 2.75x – 4.75x 1st Quartile: 2.89x Median: 3.52x
Precedent Transactions	LTM Revenue	\$696	\$2,438	\$4,005	<ul style="list-style-type: none"> Assumed Range: 3.50x – 5.75x Oracle / Opower: 3.53x Vista / Xactly: 5.61x
	NTM Revenue	\$767	\$2,494	\$3,646	<ul style="list-style-type: none"> Assumed Range: 3.25x – 4.75x Oracle / Opower: 3.25x Vista / Xactly: 4.77x
Sum of the Parts	Reportable Segments (FY21)	Subscription Revenue: \$574 Services Gross Profit: \$48	\$2,440	\$4,141	<ul style="list-style-type: none"> Assumed Ranges: 4.00x – 6.50x FY'21 Subscription Revenue 3.0 – 8.5x FY'21 Services GP
Discounted Cash Flow <i>(Vail Management Projections)</i>	5 Years	WACC: 9.75% - 11.00%	\$3,621	\$4,792	<ul style="list-style-type: none"> 5-year DCF Exit LTM EBIT (Pre-SBC): 18.5x – 23.5x
	11 Years	WACC: 9.75% - 11.00%	\$3,683	\$5,287	<ul style="list-style-type: none"> 11-year DCF Exit LTM EBIT (Pre-SBC): 12.5x – 17.5x
Reference	Premiums Paid Paid to All Shareholders	Current Share Price: \$8.46	\$3,034	\$3,591	<ul style="list-style-type: none"> Transactions where Target Exhibited Steep Drop from 52-Week High Low: 50%, High: 70%
	Analyst Price Targets Price Per Share	High: \$21.00 Low: \$12.00	\$2,808	\$5,767	<ul style="list-style-type: none"> Needham / Keybank: \$21.00 Goldman Sachs: \$12.00

\$2,750 \$3,000

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Source: Company filings, Equity Research consensus and FactSet as of 8/13/19.

Note: Valuations based on fully diluted shares outstanding (treasury stock method).













1 Assumes transaction closes on 10/31/19. Implied share price reflects forecasted balance sheet as of transaction close.

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Price Reaction Analysis of Selected Public Technology Transactions – With Leaks

(\$ per share)

Unaffected		Acquiror	Target	Rumor	Unaffected Price	Target Post-Leak		Final Offer Price		
Date	Ann. Date					Share Price	% Above Unaffected Price	Share Price	% Above Post-Leak Price	% Above Rumored Price
Strategic Transactions With Price Rumors										
1/3/2011	1/5/2011			\$45 offer price rumored	\$37.02	\$44.00	19%	\$45.00	2%	0%
8/30/2018	9/10/2018			~\$43 offer price rumored; mentioned parties were in final stages of negotiation	\$37.84	\$42.49	12%	\$49.00	15%	14%
Strategic Transactions With No Price Rumor										
10/30/2016	11/2/2016			No price disclosed; mentioned Brocade in final stages of sale process	\$8.69	\$10.60	22%	\$12.75	20%	NA
11/3/2017	11/20/2017			No price disclosed; mentioned the target would get "modest premium"	\$68.27	\$76.43	12%	\$84.14	10%	NA
1/22/2018	3/1/2018			No price disclosed; mentioned the target was exploring a sale	\$58.97	\$62.35	6%	\$68.78	10%	NA
3/27/2015	6/1/2015			No price disclosed; mentioned that Intel was in advanced talks to acquire Altera	\$42.91	\$44.12	3%	\$54.00	22%	NA
Sponsor Transactions										
5/9/2016	5/31/2016			No price disclosed; mentioned Marketo was exploring strategic alternatives, including a sale	\$21.47	\$26.77	25%	\$35.25	32%	NA
10/8/2015	10/21/2015			No price disclosed; mentioned a bid was provided by a 3rd party	\$41.88	\$47.49	13%	\$60.10	27%	NA

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Source: Company filings and FactSet as of 8/13/2019.

Note: Target pre and post-leak metrics represent the closing prices on the unaffected date and one day after the unaffected date, respectively.

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