

EPICOR SOFTWARE CORP
Form SC14D9C
April 06, 2011

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14D-9

**Solicitation/Recommendation Statement under Section 14(d)(4) of the
Securities Exchange Act of 1934**

EPICOR SOFTWARE CORPORATION

(Name of Subject Company)

EPICOR SOFTWARE CORPORATION

(Name of Person(s) Filing Statement)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

29426L108

(CUSIP Number of Class of Securities)

L. George Klaus

Chief Executive Officer

Epicor Software Corporation

18200 Von Karman Avenue, Suite 1000

Irvine, California

(949) 585-4000

**(Name, address and telephone number of person authorized to receive notices and communications on behalf
of the person(s) filing statement)**

With copies to:

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Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Apax Partners
proposed acquisition of
Epicor and Activant
April 4, 2011

Forward Looking Statements

This presentation contains certain statements which constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding expected completion of the transaction, revenues, market share, business model, sales pipelines and opportunities, competitive advantage and other statements that are forward-looking statements are based on currently available competitive, financial and economic data together with management's views and assumptions regarding future events and business performance as of the time the statements are made and are subject to risks and uncertainties that may materially affect the results of operations of the combined entity, which may differ materially from those expressed or implied in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the conditions to the transaction, including satisfaction of the conditions to Apax's acquisition of Activant, changes in the demand for our products, particularly in light of competitive offerings; the timely availability and market acceptance of new products and upgrades; the impact of competitive products and pricing; the discovery of undetected software errors; changes in the financial condition of our customers and Epicor's future ability to continue to develop and expand its product and service offerings to address emerging business demand and technological trends; and other factors discussed in Epicor's annual report on Form 10-K for the year ended December 31, 2010.

with the SEC. As a result of these factors the business or prospects expected by the Company as part of this announcement may be affected. In reliance on the information provided herein, and as required by law, Epicor undertakes no obligation to revise or update publicly any forward-looking statements.

Additional Information and Where to Find It

The tender offer for the outstanding shares of Epicor Software Corporation described herein has not yet commenced. This communication is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell any securities of Epicor Software Corporation by Eagle Parent, Inc. (an affiliate of Apax Partners) or otherwise. Any offers to purchase or solicitations of offers to sell any securities of Epicor Software Corporation to the Tender Offer Statement on Schedule TO (including the offer to purchase, the letter of transmittal and other documents related to the tender offer) will be filed with the U.S. Securities and Exchange Commission ("SEC") by Eagle Parent, Inc. and Eagle Merger Sub, Inc., a wholly owned subsidiary of Eagle Parent. In addition, Epicor Software Corporation will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the tender offer. Epicor Software Corporation's stockholders are advised to read these documents, any amendments to these documents and any other documents relating to the tender offer that are filed with the SEC carefully and in their entirety prior to making any decision with respect to the tender offer because they contain important information, including the terms and conditions of the offer.

This communication may be deemed to be solicitation material in respect of the proposed acquisition of Epicor by Eagle Parent, Inc. In connection with the proposed acquisition, Epicor intends to file relevant materials with the SEC, including Epicor's proxy statement in preliminary form. Epicor's stockholders are strongly advised to read all relevant documents filed with the SEC, including Epicor's definitive proxy statement, because they will contain important information about the proposed transaction.

Epicor Software Corporation's stockholders may obtain copies of these documents (when they become available) for free at the SEC website (www.sec.gov) or from Epicor's Investor Relations Department at (949) 585-EPIC or dswright@epicor.com.

Participants in the Solicitation

Epicor and its directors and executive officers, may be deemed to be participants in the solicitation of proxies from the holders of Epicor Software Corporation's common stock in respect of the proposed transaction. Information about the directors and executive officers of Epicor is set forth in the proxy statement for the Special Meeting of Stockholders, which was filed with the SEC on April 26, 2010. Investors may obtain additional information regarding the proposed transaction by reading the definitive proxy statement regarding the acquisition when it becomes available.

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Proposed Transaction Summary

Apax has entered into definitive agreements to acquire Epicor Software Corporation and Activant Solutions, Inc.

Transaction valued at \$2B

Combined company post merger

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Delivering Value

We are extremely excited to be bringing together two of the premier enterprise software companies to create a global market leader.

Apax Partners

April 4, 2011

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Apax Partners

April 4, 2011

About Apax

Partners

A leading global private equity advisory firm

\$40B of funds under advice and management

Typically invests in companies with a value of between \$1B-\$5B

Invests in large companies across 5 global growth sectors:

Tech & Telecom

Media

Retail & Consumer

Healthcare

Financial & Business Services

300+ employees, 12 Global offices

Epicor

Software Corporation ©

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Software Corporation.

Focused on Growth

Apax

Partners buy stakes in

large companies that have strong, established market positions and the potential to expand.

Focused on Growth

Focused on Growth

Apax

Partners buy stakes in

large companies that have strong, established market

positions and the potential to
expand.

Two Premier ERP Companies

Founded

Founded

1984

1972

Ownership

Ownership

Public

Private

Employees

Employees

2,600

1,600

Offices

Offices

50 (Global)

11 (US/UK)

Revenues (2010)

Revenues (2010)

(2010)

\$454M*

\$372M

EBITDA (2010)

EBITDA (2010)

(2010)

)

\$74M*

\$114M

Customers

Customers

20,000

13,000

Market Focus

Market Focus

Midmarket to Enterprise

Small to Midmarket

Go-to-Market

Direct / Partner

Direct

Industries

Industries

Manufacturing

Wholesale

and

and

Distribution

Distribution

Verticals

Verticals

Retail (Soft Goods)

Retail (Hard Goods)

Hospitality & Services

Catalog Content & Services

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* Proforma includes full year of Spectrum HCM

Epicor Target Industries
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Manufacturing
Manufacturing
Hospitality &
Hospitality &
Entertainment
Entertainment
Services
Services
Industrial Machinery
Fabricated Metals
Electronics

Instruments & Controls
Medical Devices
Automotive
Aerospace & Defense
Furniture & Fixtures
Primary Metals
Print and Packaging
Rubber & Plastics
Specialty Retailing
General Merchandising
Apparel & Footwear
Sporting Goods
Gifts & Novelty
Souvenir, News
Hobby, Toy, Games
Luggage & Leather
Office Supplies
Pet Supplies
Cosmetics, Beauty Supply
Jewelry
Department Stores
Specialty Retail
Specialty Retail
Soft Goods
Soft Goods
Distribution
Distribution
Consumer Goods
Pharmaceutical
3PL & Logistics Services
Value-add Distribution
Hospitality (Food)
Hospitality (Property)
Hotels & Lodging
Resorts & Gaming
Sports & Entertainment
Professional Services
Financial Services
Non-Profit
ISV & IT Services
Healthcare / Aged Care

Complementary Alignment with Activant

Manufacturing

Manufacturing

Hospitality &

Hospitality &

Entertainment

Entertainment

Services

Services

Industrial Machinery

Fabricated Metals

Electronics

Instruments & Controls

Medical Devices

Automotive
Aerospace & Defense
Furniture & Fixtures
Primary Metals
Print and Packaging
Rubber & Plastics
Hospitality (Food)
Hospitality (Property)
Hotels & Lodging
Resorts & Gaming
Sports & Entertainment
Professional Services
Financial Services
Non-Profit
ISV & IT Services
Healthcare / Aged Care
Specialty Retailing
General Merchandising
Apparel & Footwear
Sporting Goods
Gifts & Novelty
Souvenir, News
Hobby, Toy, Games
Luggage & Leather
Office Supplies
Pet Supplies
Cosmetics, Beauty Supply
Jewelry
Department Stores
Specialty Retail
Specialty Retail
Soft Goods
Soft Goods
Epicor Software Corporation ©
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Distribution
Distribution
Consumer Goods
Pharmaceutical
3PL & Logistics Services
Value-add Distribution
Fasteners
Electrical
HVAC
Industrial
Medical
Janitorial
Packaging
Plumbing
Tile

Paper
Fluid Power
General
Hardware Stores
Lawn & Garden
Specialty Retail
Farm / Agricultural
Lumber
Home Centers
Automotive Aftermarket
Large Lumber Operations
Large Auto Operations
Pharmacy
Specialty Retail
Specialty Retail
Hard Goods
Hard Goods
Wholesale
Wholesale
Distribution
Distribution

Epicor Global ERP and Retail
Enabling the Extended Value Chain
Design
Design
Produce
Produce
Distribute
Distribute
Sell
Sell
Service
Service
Procure
Procure

Product-centric

Process-centric

People-centric

Global Software Solutions

Local Business Experience

Business to

Business (B2B)

Business to

Consumer (B2C)

Corporate

Manufacturer

Consumer

Warehouse

Retail Store

Distributor

Supplier

Value Chain

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Epicor's Focus
Design
Design
Produce
Produce
Distribute
Distribute
Sell
Sell
Service
Service
Procure
Procure
Business to
Business (B2B)
Business to
Consumer (B2C)

Value Chain

Soft Goods

Hard Goods

-

Aligned with Activant's Focus

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Product-centric

Process-centric

People-centric

Corporate

Manufacturer

Consumer

Warehouse

Retail Store

Distributor

Supplier

The New Opportunity with Apax Partners
6th

Largest Global ERP Provider*

~\$825M Revenue

~30,000 Customers

~4,000 Employees

Global Coverage

End-to-end Industry Solutions

Manufacture Distribute Sell Service

Technology Leadership Based on Microsoft

Positioned as a Visionary**

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* Source: IDC August 2010 Vendor Shares Ranking

** Source: Magic Quadrant for ERP for Product-Centric Midmarket Companies, Gartner

Next Steps

Transaction projected to close in calendar Q2 contingent on

Apax simultaneously completing acquisition of Activant

Successful tender offer or receipt of Epicor shareholder approval

Antitrust (HSR) clearance

Expiration of Epicor Go Shop period (May 5, 2011)

Completion of marketing period for buyer financing

Satisfaction of other closing conditions

Until the transaction is complete Epicor and Activant must operate as completely separate companies

Due to regulatory requirements, until the acquisition is completed, none of the parties can discuss go forward management, organization, product and technology strategies, etc.

Until then, it is business as usual. But
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We Agree

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Both Epicor and Activant's customers will benefit from the combined entity's increased scale, solutions portfolio and expanded service offerings.

We look forward to partnering with the management team and to providing the resources and support that can accelerate the growth and expansion of the business and the value it creates globally.

Jason Wright, Partner

Apax Partners is Acquiring Epicor and Activant
Merger
Merger
\$40B funds under management
Epicor Software Corporation ©
2011 Epicor Software Corporation.
Revenue: \$454M*
Revenue: \$372M
Transaction valued at over \$2B