

INFORMATION INDUSTRY

The Production and Provision of Content

1ST HALF 2015 :: Mergers and Acquisitions Trend Report

1ST HALF 2015 KEY HIGHLIGHTS

- Eight of the Information Industry's top ten highest value deals in 1st Half 2015 were completed by strategic acquirers. These eight acquisitions accounted for nearly one-fifth of the industry's aggregate value year-to-date.
- There were 311 financially sponsored transactions with an aggregate value of \$38.16 billion, representing 15 percent of the total volume and 31 percent of the total value, respectively.

1ST HALF 2015 KEY TRENDS

- Total transaction volume in 1st Half 2015 increased by five percent over 2nd Half 2014, from 1,963 to 2,063.
- As for the industry's horizontal markets, Online & Mobile volume rose by 12 percent; Software volume improved by three percent; and Media & Marketing volume moved upward by two percent.
- Total transaction value in 1st Half 2015 was nearly flat over 2nd Half 2014, from \$113.64 billion to \$112.84 billion.
- Both the median revenue and median EBITDA multiple remained about constant at 2.3x and 11.6x, respectively. However, median value saw an increase during this timeframe.

M&A MARKET OVERVIEW

Berkery Noyes tracked 9,703 Information Industry transactions between 2013 and 1st Half 2015, of which 2,100 disclosed financial terms, and calculated the aggregate transaction value to be \$357.77 billion. Based on known transaction values, we project values of 7,603 undisclosed transactions to be \$141.45 billion, totaling \$499.22 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 2.2x revenue and 11.3x EBITDA.

Out of 9,703 transactions tracked by Berkery Noyes in this report, we found that 1,322 financially sponsored transactions accounted for 14 percent of the total transactions, yet they totaled \$148.07 billion, representing 30 percent of aggregate transaction value.

M&A Market Dynamics By Half Year

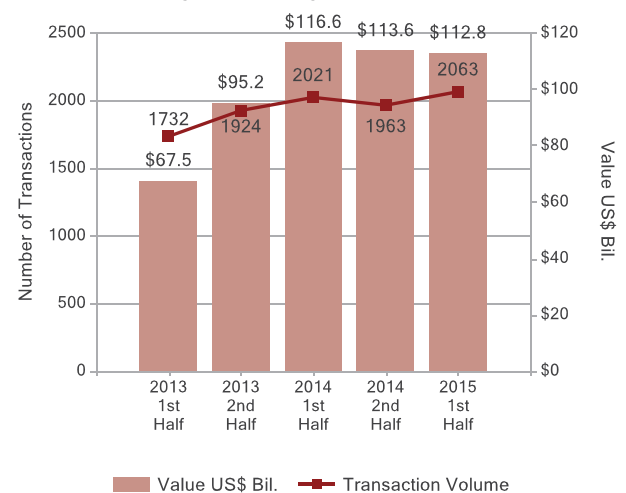


Figure 1. 2013-2015 value and volume comparison.

Median Enterprise Value Multiples By Half Year

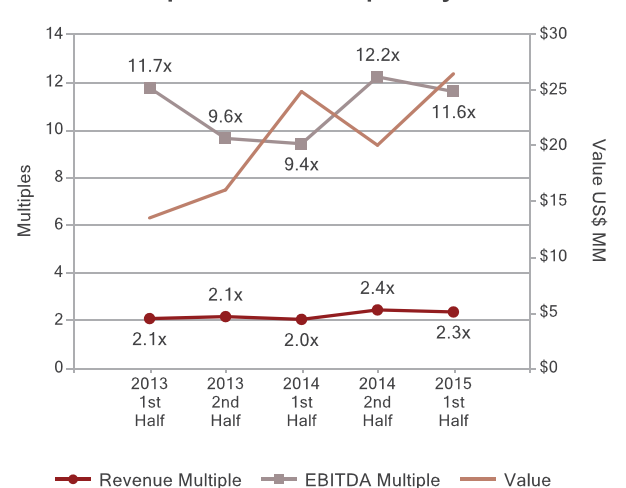


Figure 2. 2013-2015 median: value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2015 – June 30, 2015

Bell Curve - Histogram - 1st Half

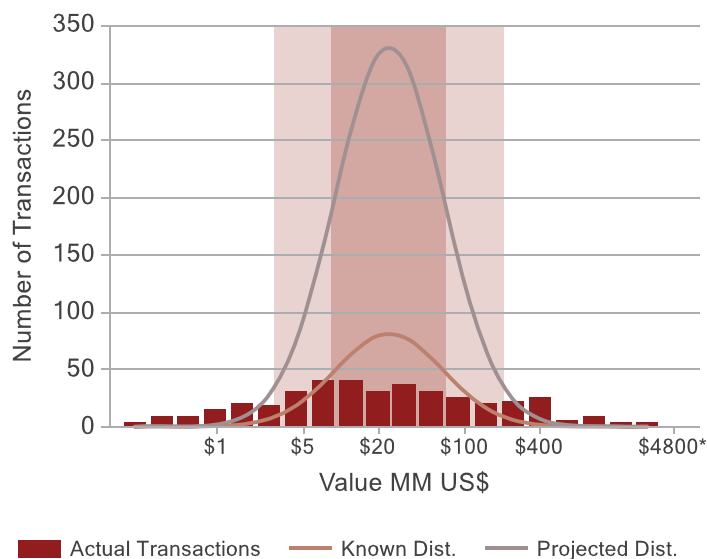


Figure 3. Shows the distribution of Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2015 at \$112.8 billion.

* Indicates largest transaction in the industry from Jan. 1, 2015 to June 30, 2015.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	4	0	4	1 %	1 %
\$0.4	8	0	8	2 %	3 %
\$0.6	8	0	8	2 %	5 %
\$1.0	16	2	17	4 %	9 %
\$1.6	20	8	28	5 %	14 %
\$2.7	19	28	47	5 %	19 %
\$4.5	30	76	105	7 %	26 %
\$7.4	40	158	197	10 %	36 %
\$12.2	41	256	296	10 %	46 %
\$20.1	31	323	354	8 %	54 %
\$33.1	37	318	354	9 %	63 %
\$54.6	30	243	273	7 %	70 %
\$90.0	25	145	170	6 %	76 %
\$148.4	21	67	88	5 %	81 %
\$244.7	22	24	46	5 %	87 %
\$403.4	25	7	31	6 %	93 %
\$665.1	6	2	7	1 %	95 %
\$1,096.6	8	0	8	2 %	97 %
\$1,808.0	4	0	4	1 %	98 %
\$2,981.0	3	0	3	1 %	98 %
Total #	405	1658	2063		
Total \$ Value	\$71,486	\$41,354	\$112,841		
Middle 3rd of Industry		Middle 2/3rds of Industry			

Figure 4. Presents the data depicted in the bell curve histogram.

Note: The projected number column is rounded and may produce insignificant errors in the total sum.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type - 1st Half

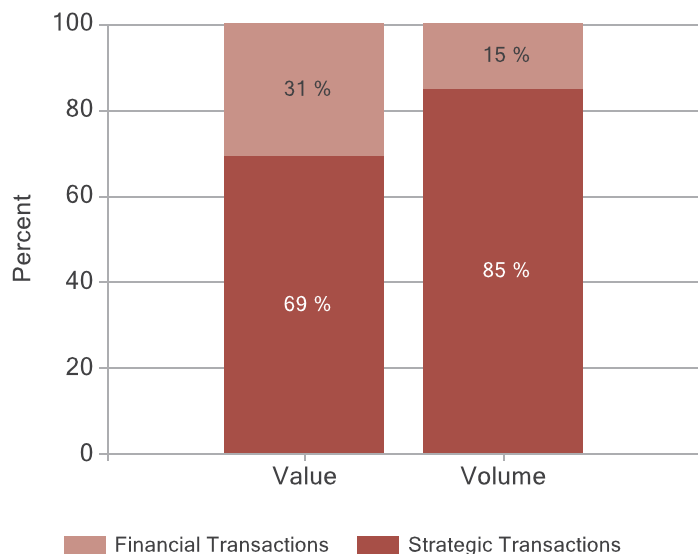


Figure 5. 1st Half 2015 value and volume comparison by transaction type.

Note: Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

Transaction Type By Half Year

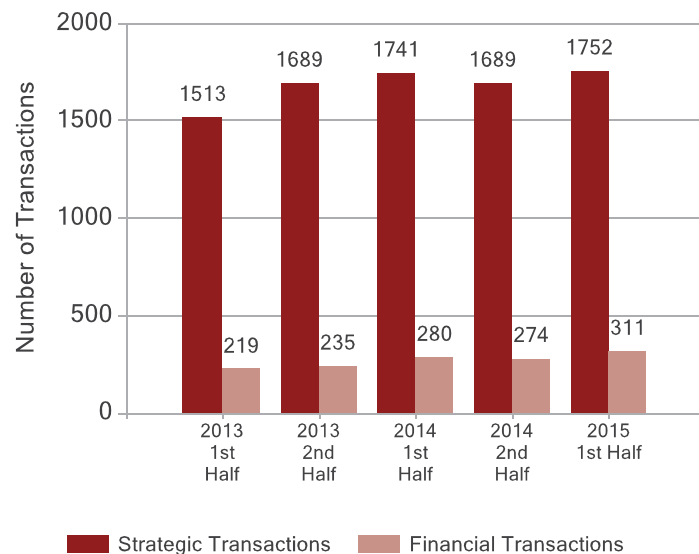


Figure 6. 2013-2015 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2015

Deal Date	Target Name	Buyer	Value MM US\$
04/07/15	Informatica Corp.	Permira, CPP Investment Board	\$4,769
06/15/15	Dealertrack Technologies	Cox Automotive, Inc.	\$4,357
05/12/15	AOL Inc.	Verizon Communications	\$4,126
03/10/15	Wood Mackenzie	Verisk Analytics, Inc.	\$2,790
01/28/15	Advent Software, Inc.	SS&C Technologies, Inc.	\$2,630
03/10/15	Blue Coat Systems, Inc.	Bain Capital	\$2,400
04/20/15	Websense, Inc.	Raytheon Company	\$1,900
03/23/15	Skrill Group	Optimal Payments Plc	\$1,695
02/12/15	Orbitz Worldwide	Expedia, Inc.	\$1,684
03/16/15	N-Vision B.V.	Scripps Networks Interactive	\$1,594
2015 Aggregate Transaction Value			\$112,841
Top 10 Aggregate Transaction Value			\$27,943
Top 10 Aggregate Value as a Percentage of All Transactions			25 %

Figure 7. Lists the top ten transactions for 1st Half 2015 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

Note: Transaction data based on announced date.

Median EV/Revenue Multiples By Size

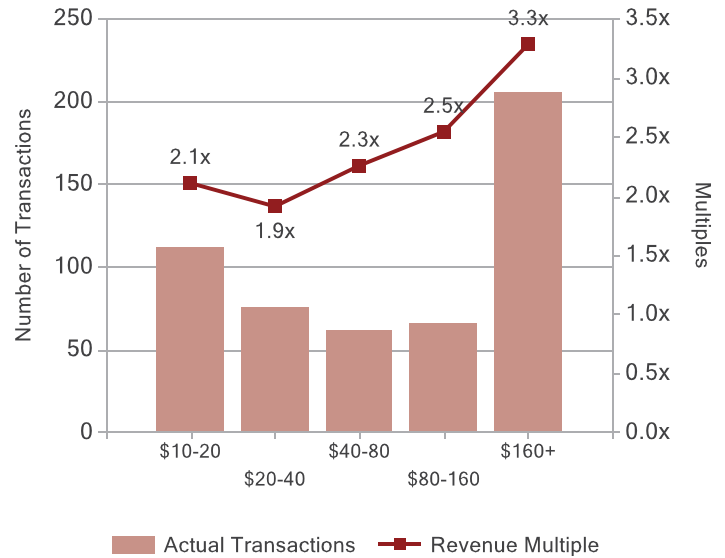


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from January 1, 2013 to June 30, 2015 based on publicly available sales price and revenue data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

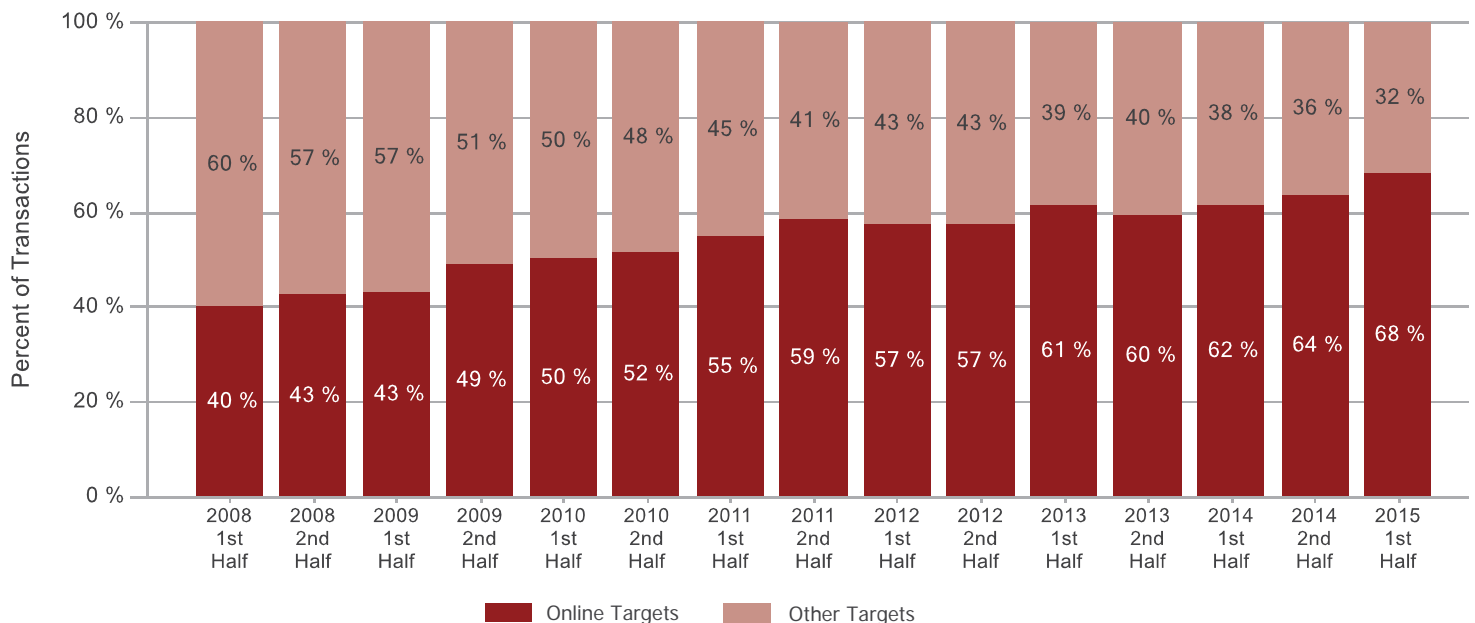


Figure 9. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by half year from January 1, 2008 through June 30, 2015.

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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity.

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