

## INFORMATION INDUSTRY

*The Production and Provision of Content*

### FULL YEAR 2017 :: Mergers and Acquisitions Trend Report

#### 2017 KEY HIGHLIGHTS

- The industry's largest private equity backed transaction in 2017 was Blackstone Group's announced acquisition of Aon's technology-enabled and human resources platform for \$4.3 billion.
- Strategic acquisitions represented 82 percent of total volume and 72 percent of total value, respectively.

#### 2017 KEY TRENDS

- Total transaction volume in 2017 increased by three percent over 2016, from 4,462 to 4,581.
- As for notable market segments, Communications volume in the Online & Mobile horizontal increased by 18 percent; Infrastructure Software volume in the Software horizontal improved by 17 percent; and Consumer Publishing volume in the Media & Marketing horizontal rose by 13 percent.
- Total transaction value in 2017 decreased by 29 percent over 2016, from \$434.22 billion to \$309.42 billion.
- The median revenue multiple from 2016 to 2017 stayed almost constant at 2.0x. The median EBITDA multiple also remained nearly the same at 11.0x.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 13,486 Information Industry transactions between 2015 and 2017, of which 2,920 disclosed financial terms, and calculated the aggregate value to be \$886.98 billion. Based on known transaction values, we project values of 10,566 undisclosed transactions to be \$196.68 billion, totaling \$1.84 trillion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 2.1x revenue and 11.1x EBITDA.

Out of 13,486 deals tracked by Berkery Noyes between 2015 and 2017, transactions valued at \$160 million and above garnered a median enterprise value multiple of 3.5x revenue. In contrast, companies with transaction values between \$10 million and \$20 million captured a median enterprise value multiple of 1.9x revenue.

#### M&A Market Dynamics

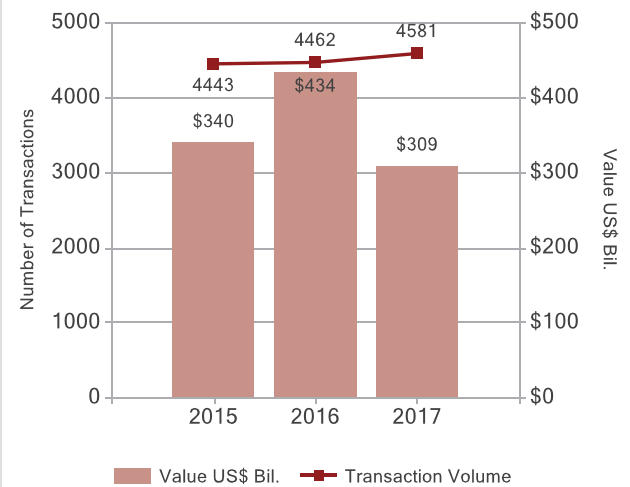


Figure 1. 2015-2017 value and volume comparison.

#### Median Enterprise Value Multiples

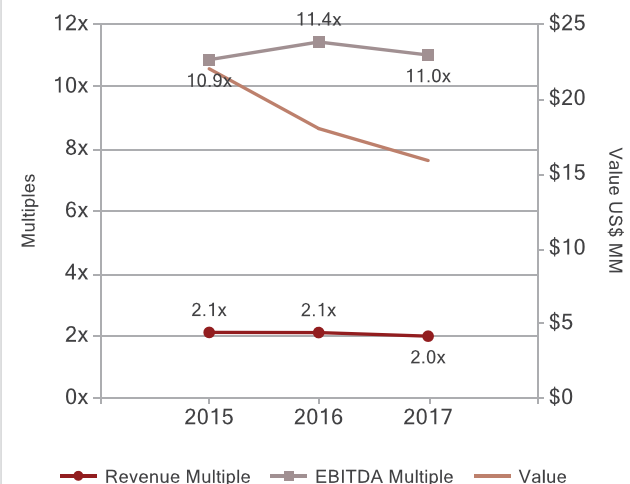
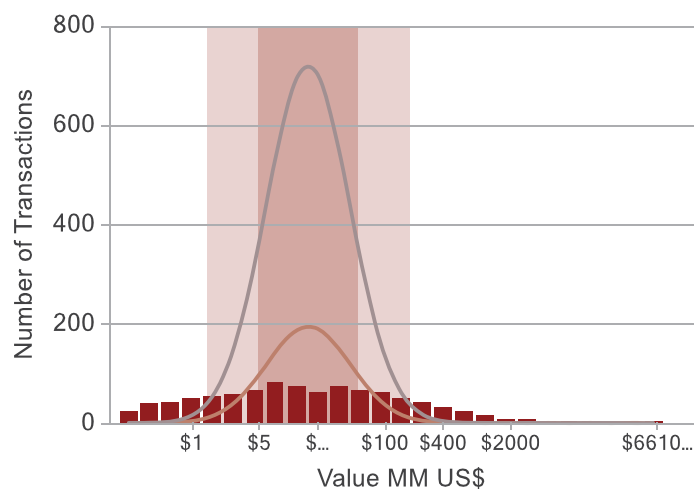


Figure 2. 2015-2017 median: value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2017 – December 31, 2017

**Bell Curve - Histogram**



Actual Transactions Known Dist. Projected Dist.

**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 \$4.5 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done in 2017 at \$309.4 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2017 to Dec. 31, 2017.

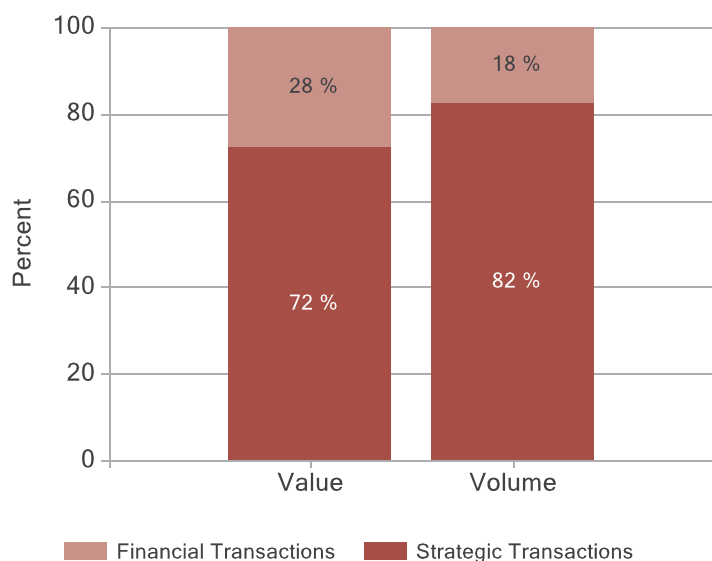
**Distribution Table**

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	22	0	22	2 %	2 %
\$0.4	39	1	39	4 %	6 %
\$0.6	43	3	46	4 %	11 %
\$1.0	51	15	66	5 %	16 %
\$1.6	53	54	107	5 %	21 %
\$2.7	59	149	208	6 %	27 %
\$4.5	66	320	385	7 %	34 %
\$7.4	83	534	616	9 %	43 %
\$12.2	73	693	766	8 %	50 %
\$20.1	64	701	765	7 %	57 %
\$33.1	74	553	626	8 %	64 %
\$54.6	66	339	405	7 %	71 %
\$90.0	61	162	223	6 %	77 %
\$148.4	49	60	109	5 %	83 %
\$244.7	42	17	59	4 %	87 %
\$403.4	32	4	35	3 %	90 %
\$665.1	25	1	25	3 %	93 %
\$1,096.6	18	0	18	2 %	95 %
\$1,808.0	7	0	7	1 %	95 %
\$2,981.0	7	0	7	1 %	96 %
\$4,914.8	2	0	2	0 %	96 %
\$8,103.1	1	0	1	0 %	96 %
\$13,359.7	1	0	1	0 %	96 %
\$22,026.5	0	0	0	0 %	96 %
\$36,315.5	0	0	0	0 %	96 %
\$59,874.1	1	0	1	0 %	97 %
Total #	973	3608	4581		
Total \$ Value	\$251,636	\$57,782	\$309,419		
Middle 3rd of Industry		Middle 2/3rds of Industry			

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

## Strategic vs. Financial Comparison

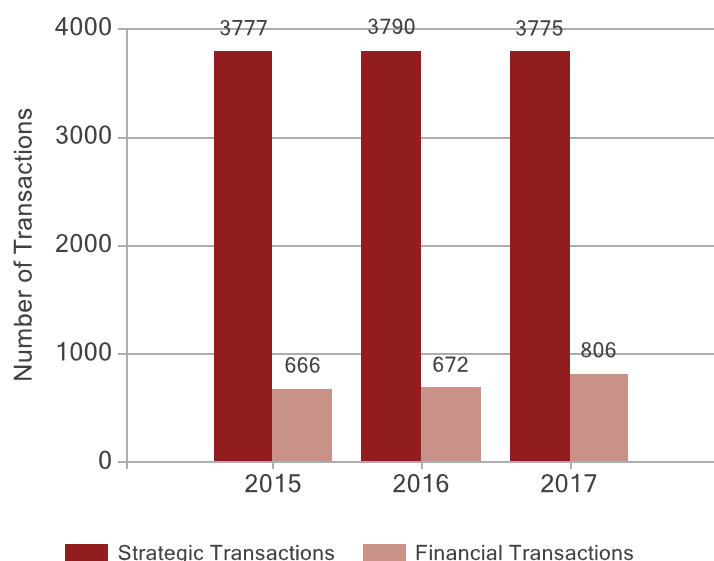
**M&A Dynamics By Transaction Type**



**Figure 5.** 2017 value and volume comparison by acquirer 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**



**Figure 6.** 2015-2017 acquirer type comparison by year.

# Purchaser Analysis

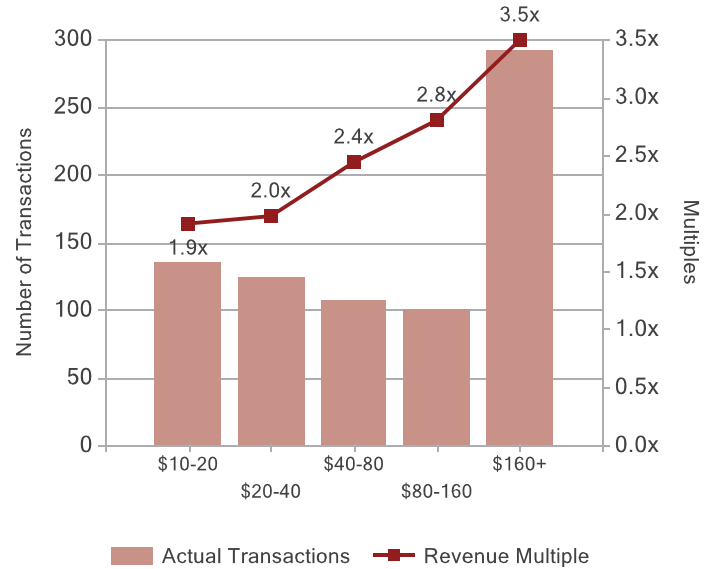
## Top Ten Notable Transactions 2017

Deal Date	Target Name	Buyer	Value MM US\$
12/14/17	21st Century Fox	The Walt Disney Company	\$66,100
03/13/17	Mobileye	Intel Corporation	\$14,700
07/31/17	Scripps Networks Interactive	Discovery Communications	\$11,900
05/08/17	Tribune Media Company	Sinclair Broadcast Group	\$6,554
12/17/17	Gemalto NV	Thales SA	\$6,513
02/10/17	Technology-Enabled Benefits & HR Platform from Aon plc	Blackstone Group LP	\$4,300
01/24/17	AppDynamics	Cisco Systems, Inc.	\$3,903
03/15/17	DH Corporation	Misys plc	\$3,491
04/18/17	Chewy, Inc.	PetSmart, Inc.	\$3,350
01/05/17	CEB Global	Gartner, Inc.	\$3,300
2017 Aggregate Transaction Value			\$309,419
Top 10 Aggregate Transaction Value			\$124,110
Top 10 Aggregate Value as a Percentage of All Transactions			40 %

**Figure 7.** Lists the top ten transactions for 2017 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4.

**Note:** Transaction data based on **announced date**. Deal value represents total consideration paid by the acquirer.

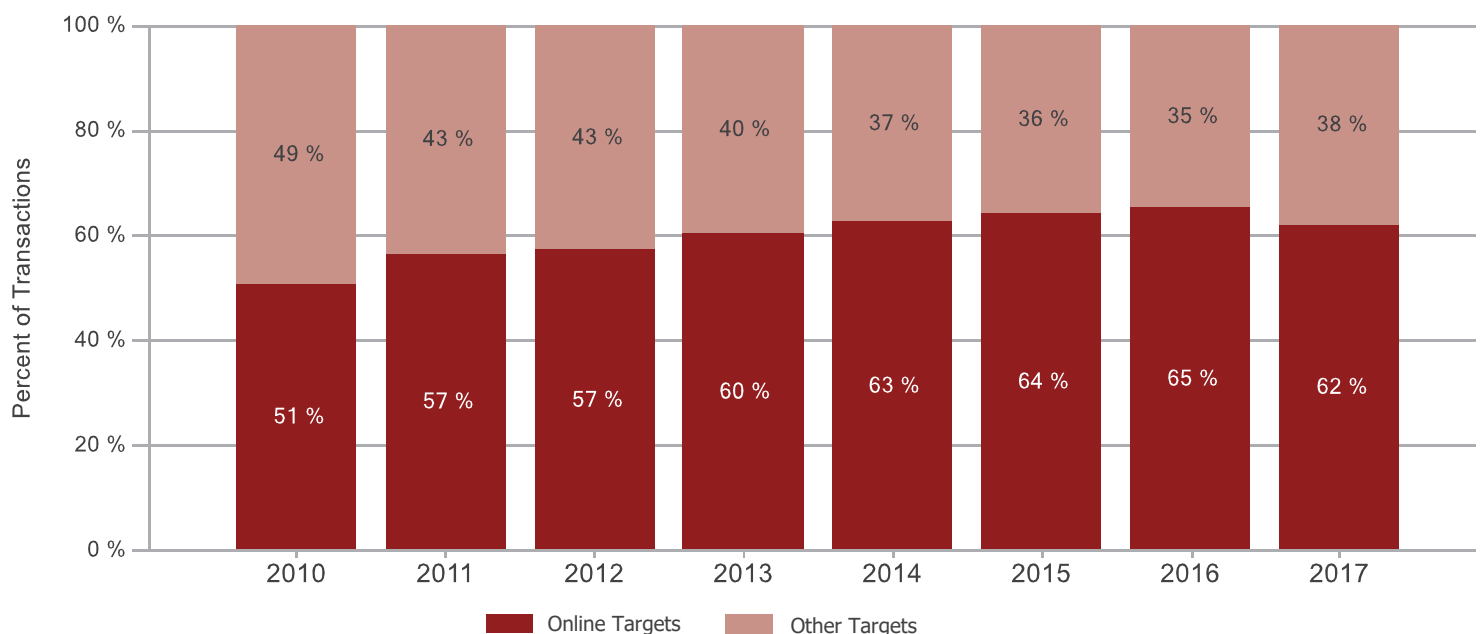
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from Jan. 1, 2015 to Dec. 31, 2017 based on publicly available 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 year from 2010-2017.

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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. There can be no guarantee that such information is accurate.

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## RECENT INFORMATION INDUSTRY TRANSACTIONS



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