

## ONLINE & MOBILE INDUSTRY

### 1ST HALF 2014 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2014 KEY HIGHLIGHTS

- The most active segment year-to-date was E-Marketing & Search with 336 transactions. This was the first time that E-Marketing & Search deal volume surpassed all of the industry's other segments throughout the past two and a half years.
- There were 160 financially sponsored transactions with an aggregate value of \$17.91 billion, representing 13 percent of the total volume and 28 percent of the total value, respectively.

#### 1ST HALF 2014 KEY TRENDS

- Total transaction volume in 1st Half 2014 increased by seven percent over 2nd Half 2013, from 1,146 to 1,227.
- Total transaction value in 1st Half 2014 rose by 57 percent over 2nd Half 2013, from \$40.82 billion to \$63.97 billion.
- The median revenue multiple remained constant at 2.3x. The median EBITDA multiple increased from 9.5x in 2nd Half 2013 to 12.5x in 1st Half 2014.
- The segment with the largest rise in volume in 1st Half 2014 over 2nd Half 2013 was Communications with a 27 percent increase, from 96 to 122 transactions. Two of the segment's three largest deals were located in the consumer mobile application subsector: Facebook's acquisition of WhatsApp for \$16 billion and Rakuten Inc.'s acquisition of Viber for \$900 million.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 5,462 Online & Mobile transactions between 2012 and 1st Half 2014, of which 1,206 disclosed financial terms, and calculated the aggregate transaction value to be \$139.72 billion. Based on known transaction values, we project values of 4,256 undisclosed transactions to be \$58.91 billion, totaling \$198.63 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 2.3x revenue and 11.5x EBITDA.

The most active acquirer by volume in the E-Commerce segment between 2012 and 1st Half 2014, either directly or through a partner or affiliated business, was eBay with eight transactions.

M&A Market Dynamics By Half Year

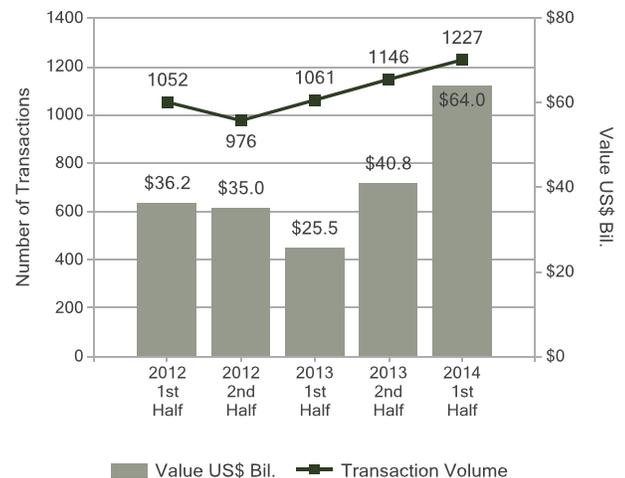


Figure 1. 2012-2014 value and volume comparison.

Median Enterprise Value Multiples By Half Year

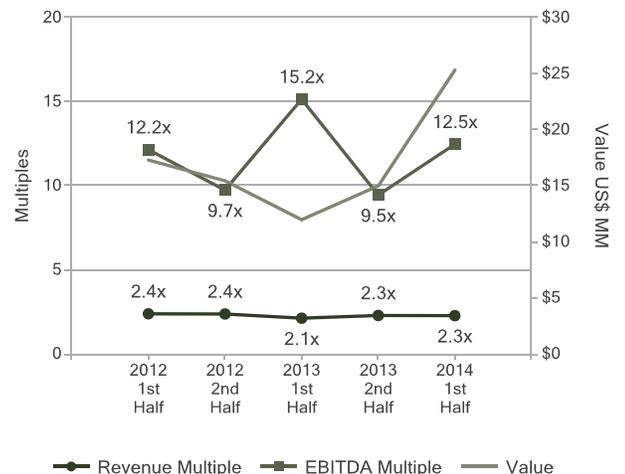
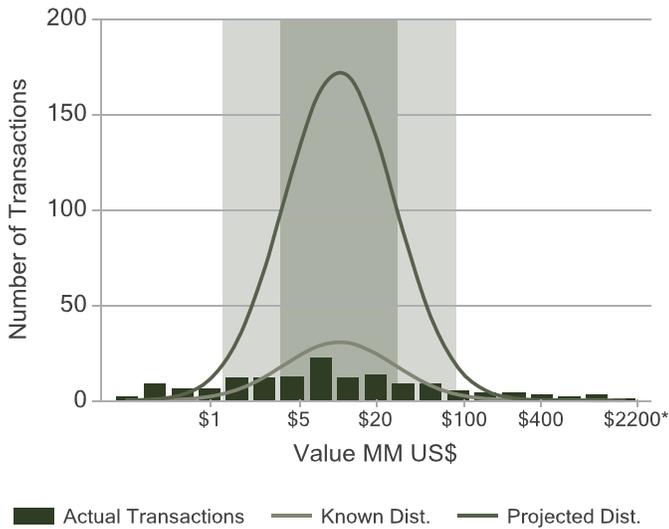


Figure 2. 2012-2014 median: value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2014 – June 30, 2014

**Bell Curve - Histogram - 1st Half**



**Figure 3.** Shows the distribution of Online and Mobile Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.6 million to \$403.4 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2014 at \$64.0 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2014 to June 30, 2014.

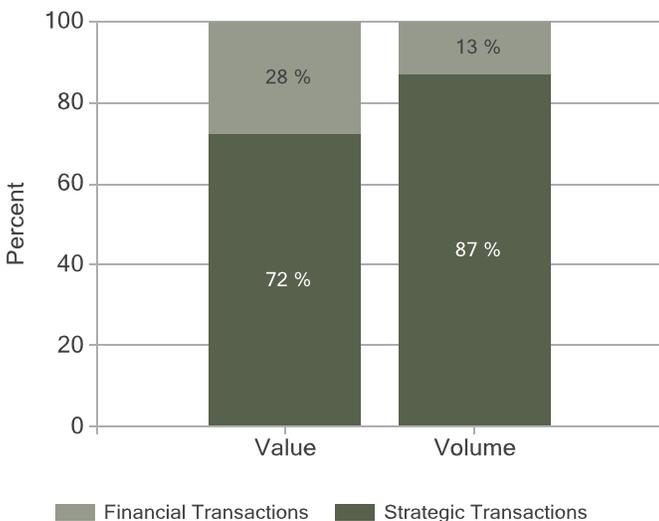
**Distribution Table**

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	7	0	7	3 %	3 %
\$0.4	6	0	6	3 %	6 %
\$0.6	4	0	4	2 %	8 %
\$1.0	4	2	6	2 %	9 %
\$1.6	13	9	22	6 %	15 %
\$2.7	11	28	39	5 %	20 %
\$4.5	14	67	80	6 %	27 %
\$7.4	18	124	141	8 %	35 %
\$12.2	27	178	205	12 %	47 %
\$20.1	22	200	222	10 %	57 %
\$33.1	21	175	196	9 %	66 %
\$54.6	11	120	130	5 %	71 %
\$90.0	14	64	77	6 %	77 %
\$148.4	14	26	40	6 %	84 %
\$244.7	9	8	17	4 %	88 %
\$403.4	7	2	9	3 %	91 %
\$665.1	7	0	7	3 %	94 %
\$1,096.6	3	0	3	1 %	95 %
\$1,808.0	2	0	2	1 %	96 %
\$2,981.0	0	0	0	0 %	96 %
\$4,914.8	0	0	0	0 %	96 %
\$8,103.1	0	0	0	0 %	96 %
\$13,359.7	1	0	1	0 %	97 %
<b>Total #</b>	<b>222</b>	<b>1005</b>	<b>1227</b>		
<b>Total \$ Value</b>	<b>\$44,108</b>	<b>\$19,860</b>	<b>\$63,968</b>		
<b>Middle 3rd of Industry</b>					
<b>Middle 2/3rds of Industry</b>					

**Figure 4.** Presents the data depicted in the bell curve histogram. Note: The projected number column is rounded as a result of the projection.

## Strategic vs. Financial Comparison

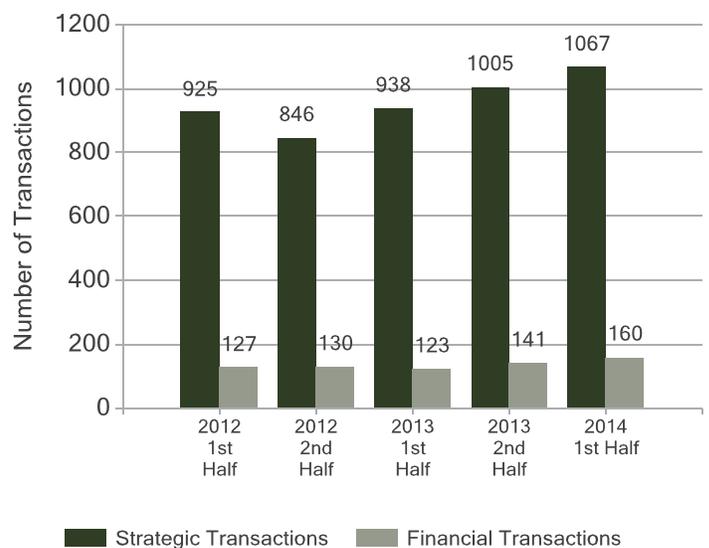
**M&A Dynamics By Transaction Type - 1st Half**



**Figure 5.** 1st Half 2014 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.** 2012-2014 acquirer type comparison by half year.

# Purchaser Analysis

## Top Ten Notable Transactions - 1st Half 2014

Deal Date	Target Name	Buyer	Value MM US\$
02/19/14	WhatsApp	Facebook	\$16,000
06/13/14	OpenTable	Priceline	\$2,361
03/14/14	SkillSoft Limited	Charterhouse Capital Partners	\$2,300
01/22/14	AirWatch, LLC	VMware, Inc.	\$1,181
03/13/14	Renaissance Learning, Inc.	Hellman & Friedman LLC	\$1,100
06/03/14	Internet Brands, Inc.	Kohlberg Kravis Roberts & Co.	\$1,100
05/19/14	Twitch Interactive, Inc.	YouTube	\$1,000
04/14/14	Ipreo Holdings LLC	Blackstone Group LP, Goldman Sachs Merchant Banking	\$975
03/18/14	Travelclick, Inc.	Thoma Bravo, LLC	\$930
02/14/14	Viber	Rakuten Inc.	\$900
2014 Aggregate Transaction Value			\$63,968
Top 10 Aggregate Transaction Value			\$27,847
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>44 %</b>

Figure 7. Lists the top ten transactions for 1st Half 2014 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.

## Median EV/Revenue Multiples By Size

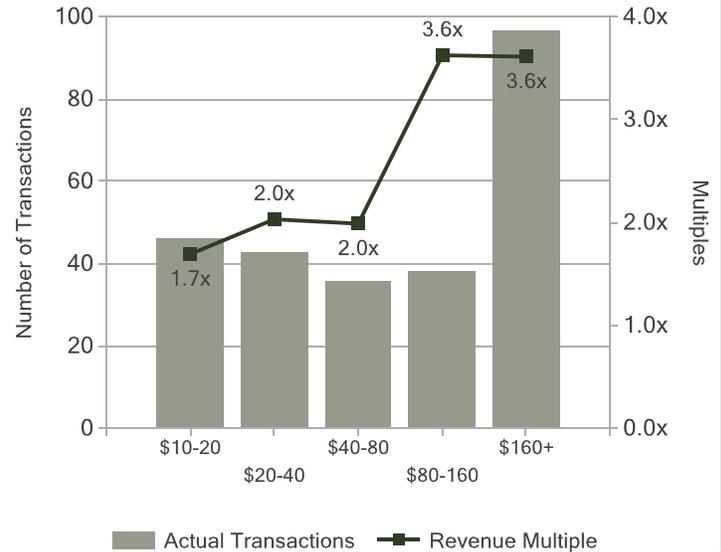


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from January 1, 2012 to June 30, 2014 based on publicly available sales price and revenue data.

# Transaction Volume by Segment :: January 1, 2012 – June 30, 2014

## Transactions By Market Segment By Half Year

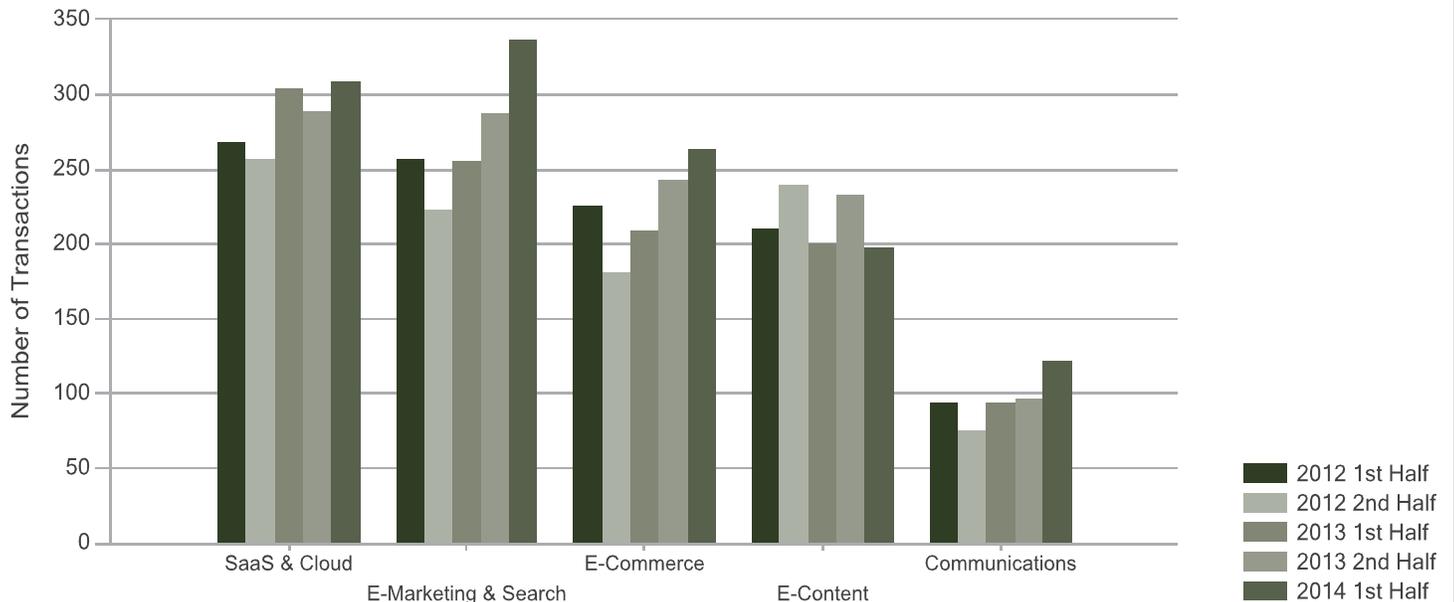


Figure 9. Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2012 through June 30, 2014.

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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.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at [www.mandasoft.com](http://www.mandasoft.com)

## RECENT ONLINE & MOBILE TRANSACTIONS

**AFTERMATH**  
CLAIM SCIENCE  
HAS BEEN ACQUIRED BY  
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A PORTFOLIO COMPANY OF  
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