



PRIVATE EQUITY INDUSTRY

Financially Sponsored Transactions within the Information Industry

FULL YEAR 2013 :: Mergers and Acquisitions Trend Report

2013 KEY HIGHLIGHTS

- The most active financial sponsor was Vista Equity Partners with eighteen transactions in 2013. This included four deals with disclosed values above \$500 million.
- Four of the top ten highest value private equity deals in 2013 occurred in the Finance segment. The largest of these was Hellman & Friedman's acquisition of Applied Systems from Bain Capital for \$1.8 billion in the Insurance subsector.
- TPG Capital was the most active private equity firm in the Healthcare segment with eight transactions in 2013.

2013 KEY TRENDS

- Total transaction volume in 2013 decreased by twelve percent over 2012, from 512 to 453. However, when compared to 2011, volume in 2013 underwent a four percent increase.
- Total transaction value in 2013 declined by six percent over 2012, from \$43.71 billion to \$41.13 billion.
- The median revenue multiple increased from 1.8x in 2012 to 2.3x in 2013. The median EBITDA multiple improved from 9.8x in 2012 to 11.5x in 2013.
- In terms of secondary buyouts, or transactions completed between private equity firms, deal volume in 2013 decreased by 27 percent over 2012. This followed a 34 percent increase from 2011 to 2012.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,399 private equity transactions in the Information Industry between 2011 and 2013, of which 364 disclosed financial terms, and calculated the aggregate value to be \$104.05 billion. Based on known transaction values, we project values of 1,035 undisclosed transactions to be \$20.46 billion, totaling \$124.51 billion worth of transactions tracked over the past three years.

The largest deal tracked by Berkery Noyes during the last 36 months was the acquisition of BMC Software by a private investor group, led by Bain Capital and Golden Gate Capital, for \$6.69 billion in 2013.

M&A Market Dynamics

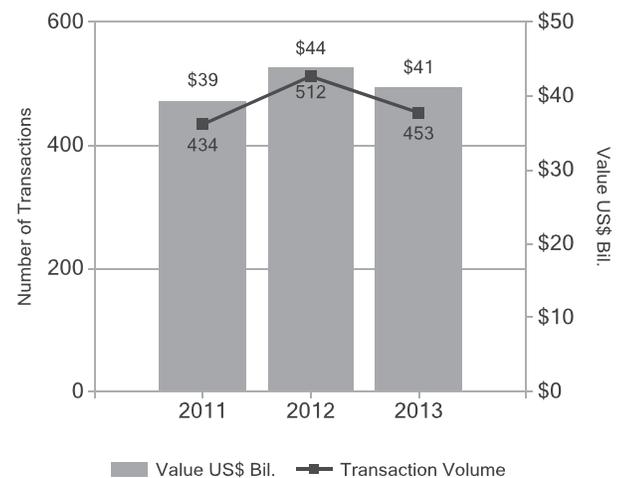


Figure 1. 2011-2013 value and volume comparison.

Median Enterprise Value Multiples

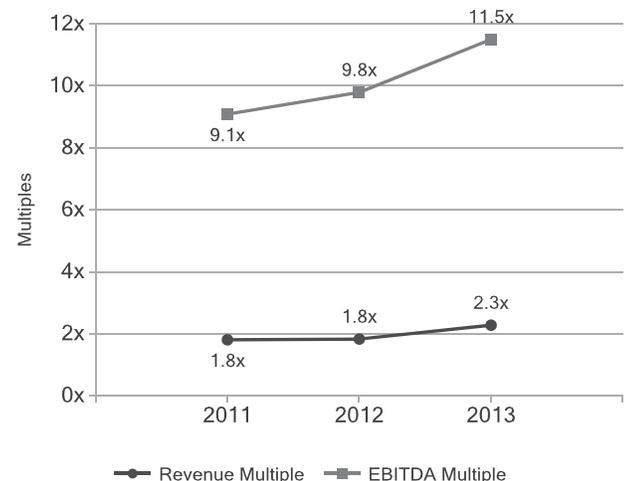


Figure 2. 2011-2013 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2013 – December 31, 2013

Bell Curve - Histogram

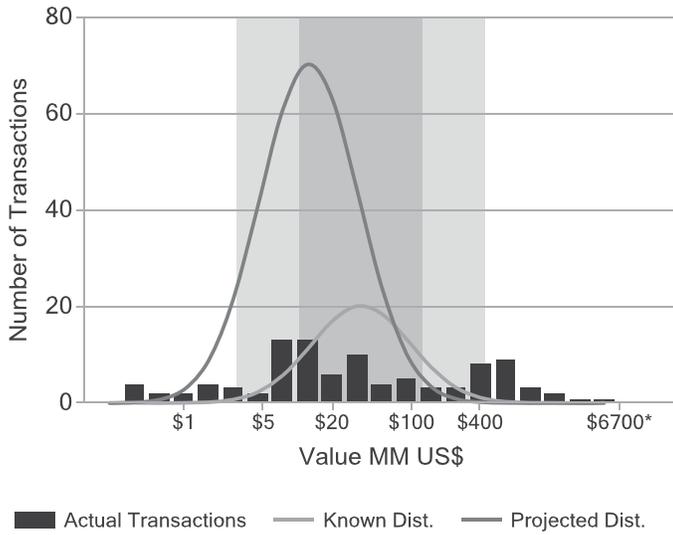


Figure 3. Shows distribution of private equity transactions in the Information Industry based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$12.2 million to \$90.0 million. Based on this data, we estimate the total transaction value of deals done in 2013 at \$41.1 billion.

* Indicates largest transaction in the industry from Jan. 1, 2013 to Dec. 31, 2013

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	4	0	4	4 %	4 %
\$0.6	2	1	2	2 %	6 %
\$1.0	2	3	4	2 %	8 %
\$1.6	4	9	12	4 %	12 %
\$2.7	3	21	24	3 %	15 %
\$4.5	2	41	42	2 %	17 %
\$7.4	13	61	73	13 %	30 %
\$12.2	13	70	83	13 %	43 %
\$20.1	6	63	69	6 %	49 %
\$33.1	10	44	54	10 %	58 %
\$54.6	4	24	28	4 %	62 %
\$90.0	5	10	15	5 %	67 %
\$148.4	3	3	6	3 %	70 %
\$244.7	3	1	3	3 %	73 %
\$403.4	8	0	8	8 %	81 %
\$665.1	9	0	9	9 %	90 %
\$1,096.6	3	0	3	3 %	93 %
\$1,808.0	2	0	2	2 %	95 %
\$2,981.0	1	0	1	1 %	96 %
\$4,914.8	1	0	1	1 %	97 %
Total #	101	352	453		
Total \$ Value	\$36,662	\$4,468	\$41,130		
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 as a result of the projection and may produce insignificant errors in the total sum.

M&A Dynamics by Acquirer Type :: January 1, 2013 – December 31, 2013

M&A Dynamics by Transaction Type and Industry

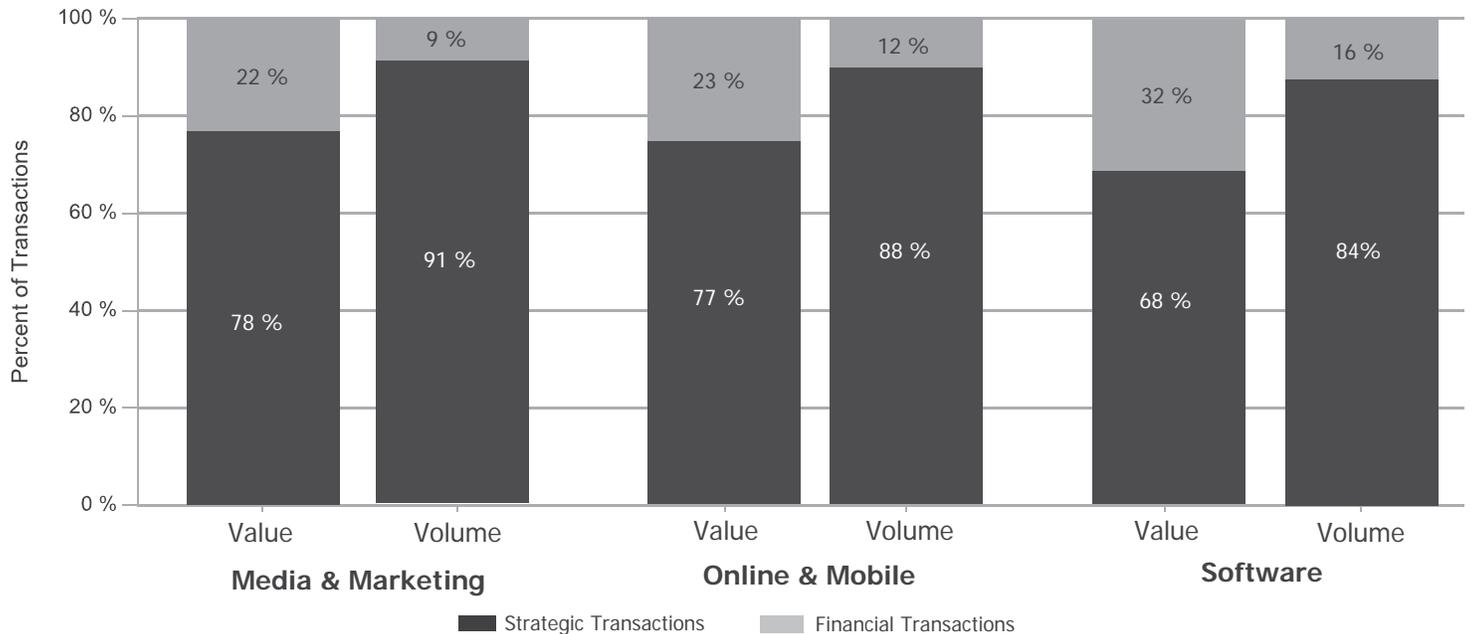


Figure 5. Presents the transaction volume by target segment for private equity transactions in the Information Industry.

Note: Financially sponsored transactions include private equity backed strategic acquisitions.

Purchaser Analysis

Top Ten Notable Transactions 2013

Deal Date	Target Name	Buyer	Value MM US\$
05/06/13	BMC Software, Inc.	Bain Capital, Golden Gate Capital, GIC, Insight Venture Partners	\$6,686
06/19/13	Springer Science & Business Media	BC Partners	\$4,423
12/17/13	IMG Worldwide, Inc.	William Morris Endeavor Entertainment, LLC	\$2,300
11/21/13	Scout24 Group	Hellman & Friedman LLC	\$2,022
11/26/13	Applied Systems Inc.	Hellman & Friedman LLC	\$1,800
11/18/13	Unit4	Advent International	\$1,709
02/18/13	Cerved Group SpA	CVC Capital Partners	\$1,491
07/01/13	Intuit Financial Services	Thoma Bravo, LLC	\$1,025
09/05/13	Mitchell International, Inc.	Kohlberg Kravis Roberts & Co.	\$1,000
11/25/13	Giant Interactive Group	Baring Private Equity Asia	\$991
2013 Aggregate Transaction Value			\$41,130
Top 10 Aggregate Transaction Value			\$23,448
Top 10 Aggregate Value as a Percentage of All Transactions			57 %

Figure 6. Lists the top ten transactions for 2013 and calculates their aggregate transaction value as a percentage of the 2013 total aggregate transaction value as shown on 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

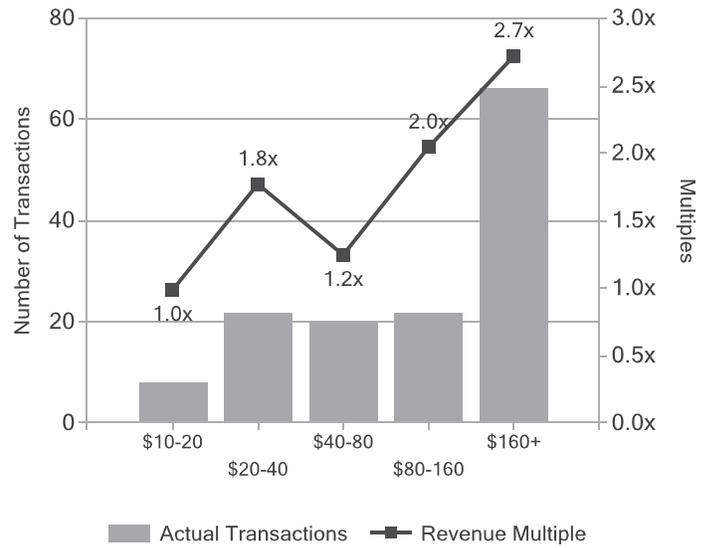


Figure 7. Presents the median enterprise value/revenue multiples paid for private equity transactions in the Information Industry from Jan. 1, 2011 to Dec. 31, 2013 based on publicly available sales price and revenue data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

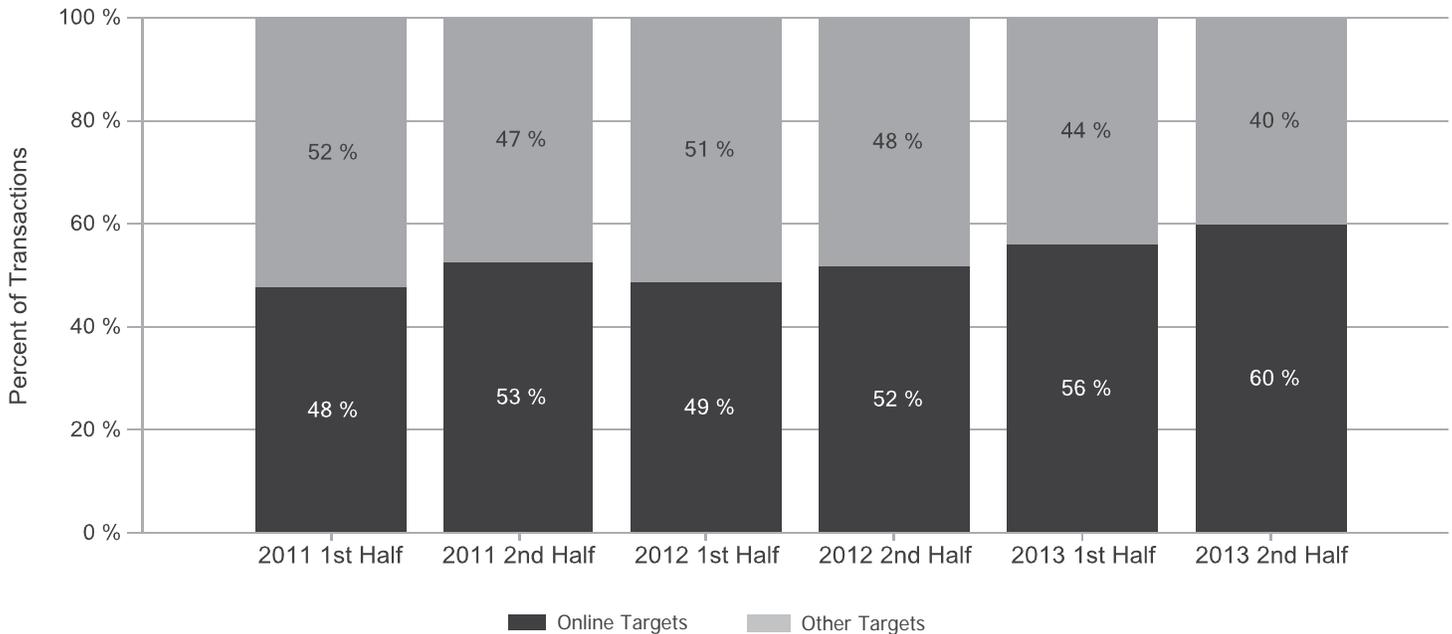


Figure 8. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by Half Year from 2011-2013.

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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.

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