

## ONLINE & MOBILE INDUSTRY

### 1ST HALF 2018 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2018 KEY HIGHLIGHTS

- The largest deal in 1st Half 2018 was Walmart's announced acquisition of a majority stake in Flipkart Online Services, an e-commerce marketplace based in India, for \$16 billion.
- Five of the industry's top ten highest value acquisitions year-to-date occurred in the E-Commerce segment.
- There were 276 financially sponsored transactions with an aggregate value of \$28.65 billion, representing 20 percent of the total volume and 27 percent of the total value, respectively.

#### 1ST HALF 2018 KEY TRENDS

- Total transaction volume in 1st Half 2018 declined by one percent over 2nd Half 2017, from 1,394 to 1,377.
- Total transaction value in 1st Half 2018 more than doubled over 2nd Half 2017, from \$50.83 billion to \$106.10 billion. Of note, there were four transactions in 1st Half 2018 above the \$5 billion threshold, compared to none in all of 2017. There were also 25 deals with disclosed values that reached the \$1 billion threshold in 1st Half 2018, as opposed to eight such transactions in 2nd Half 2017.
- The median revenue multiple saw an uptick from 2.2x in 2nd Half 2017 to 2.4x in 1st Half 2018. The median EBITDA multiple moved downward from 12.1x in 2nd Half 2017 to 10.3x in 1st Half 2018.
- The segment with the largest increase in volume in 1st Half 2018 over 2nd Half 2017 was E-Content with a 15 percent rise, from 193 to 221 transactions.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 7,195 Online & Mobile transactions between 2016 and 1st Half 2018, of which 1,505 disclosed financial terms, and calculated the aggregate transaction value to be \$298.37 billion. Based on known transaction values, we project values of 5,690 undisclosed transactions to be \$90.61 billion, totaling \$388.98 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 11.4x EBITDA.

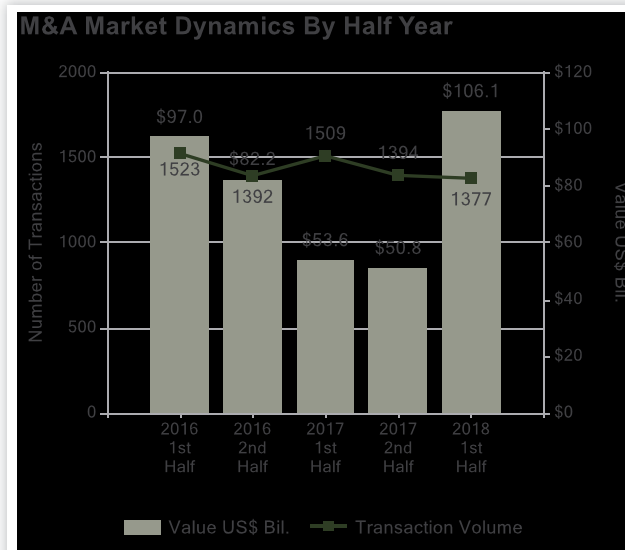


Figure 1. 2016-2018 value and volume comparison.

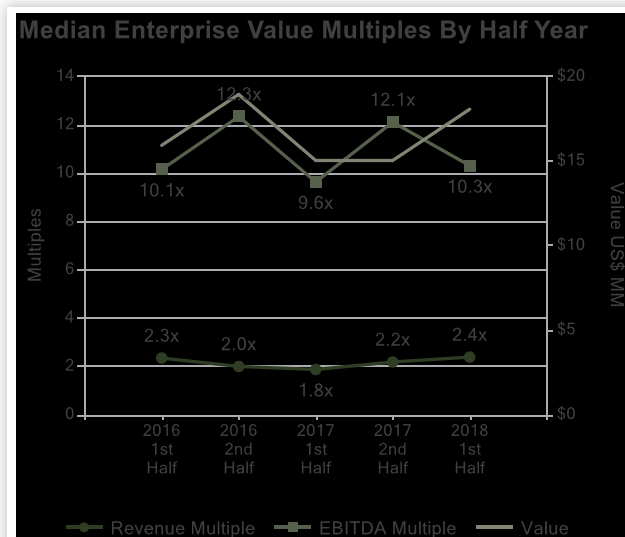
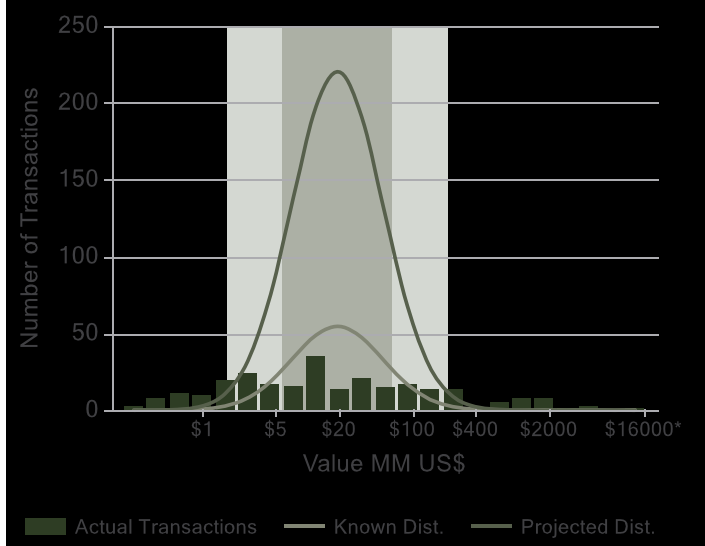


Figure 2. 2016-2018 median: value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2018 – June 30, 2018

**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 \$665.1 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2018 at \$106.1 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2018 to June 30, 2018.

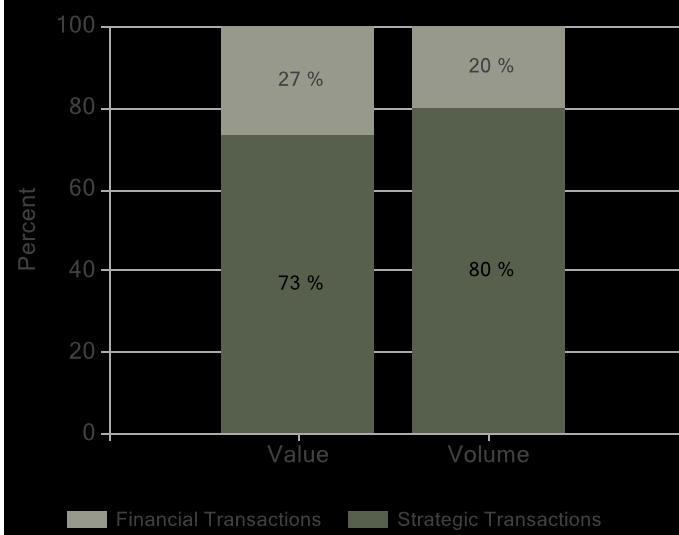
**Distribution Table**

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	3	0	3	1 %	1 %
\$0.4	7	0	7	3 %	4 %
\$0.6	11	1	11	4 %	8 %
\$1.0	10	3	12	4 %	11 %
\$1.6	20	11	30	7 %	19 %
\$2.7	24	32	55	9 %	27 %
\$4.5	17	75	92	6 %	34 %
\$7.4	16	138	154	6 %	40 %
\$12.2	35	198	232	13 %	52 %
\$20.1	14	220	234	5 %	58 %
\$33.1	21	191	211	8 %	65 %
\$54.6	15	129	144	5 %	71 %
\$90.0	17	68	84	6 %	77 %
\$148.4	13	28	40	5 %	82 %
\$244.7	14	9	22	5 %	87 %
\$403.4	2	2	4	1 %	88 %
\$665.1	5	0	5	2 %	89 %
\$1,096.6	8	0	8	3 %	92 %
\$1,808.0	7	0	7	3 %	95 %
\$2,981.0	2	0	2	1 %	96 %
\$4,914.8	3	0	3	1 %	97 %
\$8,103.1	0	0	0	0 %	97 %
\$13,359.7	1	0	1	0 %	97 %
Total #	273	1104	1377		
Total \$ Value	\$84,665	\$21,432	\$106,097		
Middle 3rd of Industry		Middle 2/3rds of Industry			

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

## Strategic vs. Financial Comparison

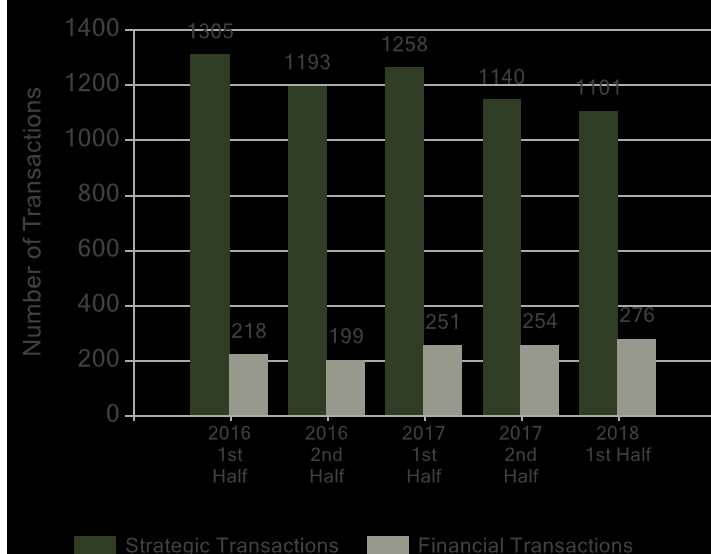
**M&A Dynamics By Transaction Type - 1st Half**



**Figure 5.** 1st Half 2018 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.** 2016-2018 acquirer type comparison by half year.

# Purchaser Analysis

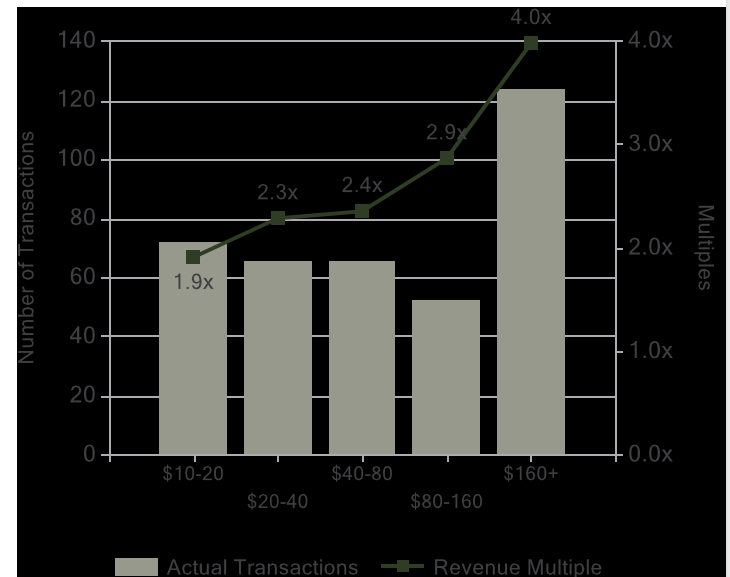
## Top Ten Notable Transactions - 1st Half 2018

Deal Date	Target Name	Buyer	Value MM US\$
05/09/18	Flipkart	Walmart	\$16,000
06/04/18	GitHub Inc.	Microsoft Corporation	\$7,500
03/20/18	MuleSoft	Salesforce.com, Inc.	\$5,939
04/01/18	Ele.me	Alibaba Group	\$5,415
04/04/18	Mobike	Meituan	\$3,400
05/11/18	ZPG Plc	SilverLake	\$3,338
01/29/18	CallidusCloud	SAP America, Inc.	\$2,426
05/18/18	iZettle	PayPal, Inc.	\$2,426
04/20/18	Fidessa group plc	Ion Group	\$2,020
04/24/18	Mitel Networks Corporation	Searchlight Capital Partners	\$2,001
2018 Aggregate Transaction Value			\$106,097
Top 10 Aggregate Transaction Value			\$50,466
Top 10 Aggregate Value as a Percentage of All Transactions			48 %

**Figure 7.** Lists the top ten transactions for 1st Half 2018 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**.

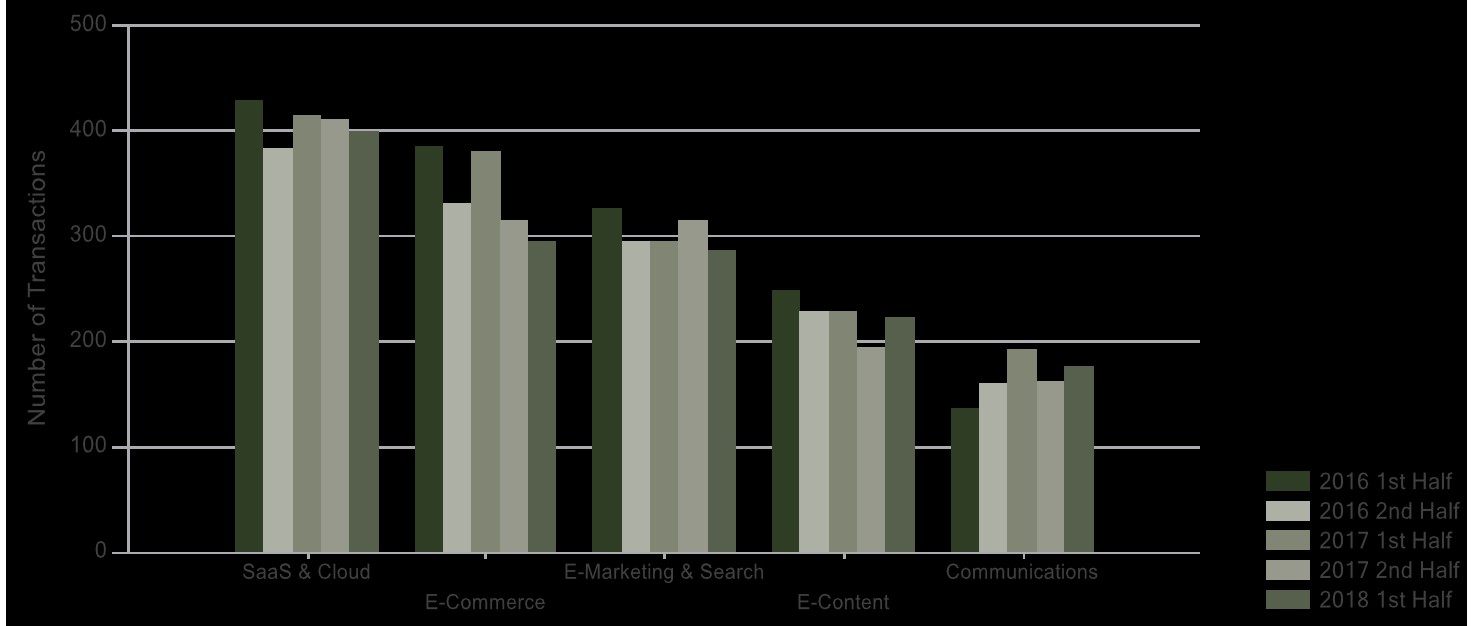
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from January 1, 2016 to June 30, 2018 based on publicly available sales price and revenue data.

# Transaction Volume by Segment :: January 1, 2016 – June 30, 2018

## Transactions By Market Segment By Half Year



**Figure 9.** Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2016 through June 30, 2018.

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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 ONLINE & MOBILE TRANSACTIONS



HAS BEEN ACQUIRED BY



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



A PORTFOLIO COMPANY OF



HAS ACQUIRED



FROM



HAS ACQUIRED



HAS BEEN ACQUIRED BY



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