

INFORMATION INDUSTRY

Q3 2016 :: Mergers and Acquisitions Trend Report

Q3 2016 KEY HIGHLIGHTS

- Strategic acquisitions represented 86 percent of the industry's total volume and 77 percent of total value in Q3 2016, respectively.
- The highest value sponsored transaction in Q3 2016 and year-to-date was a Chinese consortium's announced acquisition of Playtika, a social and mobile games company based in Israel, for \$4.4 billion. Among the consortium's acquirers was Yunfeng Capital, the private equity firm founded by Alibaba Group Chairman Jack Ma.

Q3 2016 KEY TRENDS

- Total transaction volume in Q3 2016 declined by nine percent over Q2 2016, from 1,160 to 1,051.
- As for the industry's horizontal markets, Online & Mobile volume fell by 11 percent; Software volume decreased by nine percent; and Media & Marketing volume moved downward by seven percent.
- Total transaction value in Q3 2016 lost five percent over Q2 2016, from \$94.6 billion to \$89.4 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2015 through the 1st 3 Quarters of 2016 remained almost constant at 2.0x.
- The median EBITDA multiple from 2015 through the 1st 3 Quarters of 2016 stayed nearly the same at 11.3x.

Top Ten Notable Transactions - 1st 3 Quarters 2016

Deal Date	Target Name	Buyer	Value MM US\$
06/13/16	LinkedIn Corporation	Microsoft Corporation	\$25,927
03/21/16	Markit Group Ltd.	IHS, Inc.	\$10,974
07/28/16	NetSuite, Inc.	Oracle Corporation	\$9,300
09/07/16	Software Business from Hewlett Packard Enterprise	Micro Focus International Limited	\$8,730
06/21/16	Supercell	Tencent Holdings Ltd.	\$8,600
07/25/16	Yahoo! Inc.	AOL Inc.	\$4,826
06/13/16	Blue Coat, Inc.	Symantec Corporation	\$4,722
01/07/16	Media General, Inc.	Nexstar Broadcasting	\$4,500
06/30/16	Starz, LLC	Lionsgate	\$4,400
07/30/16	Playtika Ltd.	Yunfeng Capital, Giant Interactive Group	\$4,400

2016 Aggregate Transaction Value \$245,318

Top 10 Aggregate Transaction Value \$86,379

Top 10 Aggregate Value as a Percentage of All Transactions 35 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2016 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on **announced date**.

M&A Market Dynamics By Quarter

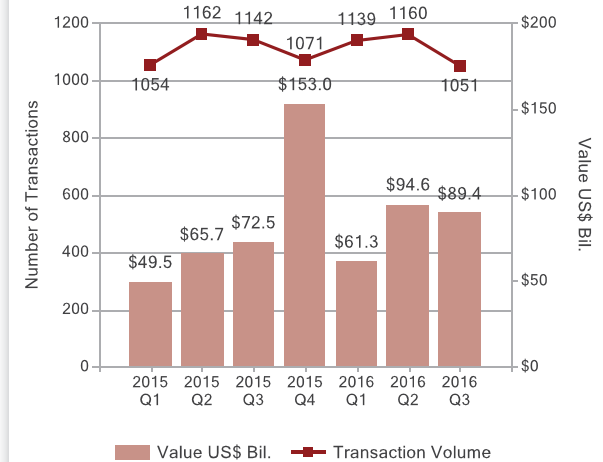


Figure 1. 2015-2016 value and volume comparison.

Median Enterprise Value Multiples

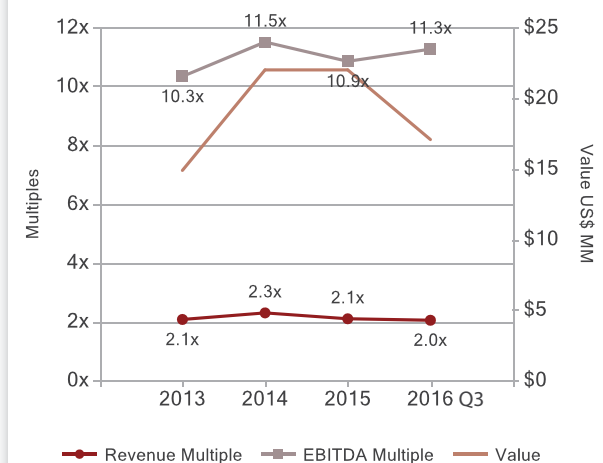


Figure 2. 2015-2016 median, value, revenue, EBITDA comparison through Q3 2016.

TOP TEN DEALS THROUGH Q3 2016

The top ten deals by value have seen four new additions since our half year report. Oracle Corporation's announced acquisition of NetSuite for \$9.3 billion was the second highest value deal ever completed by Oracle, slightly behind the company's acquisition of PeopleSoft for \$10.3 billion in 2004.

These four transactions, with an aggregate value of \$27.2 billion, represented 11 percent of transaction value in the 1st 3 Quarters of 2016 and 30 percent of Q3 2016 transaction value.

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RECENT INFORMATION INDUSTRY TRANSACTIONS

HOLIDAY HOUSE

HAS BEEN ACQUIRED BY

TRUSTBRIDGE
挚信资本

Securities Training Corporation

HAS BEEN ACQUIRED BY

Colibri

A PORTFOLIO COMPANY OF

QUAD-C

ELECTRONICS MEDIA PORTFOLIO OF

UBM

HAS BEEN ACQUIRED BY

NOW

HAS BEEN ACQUIRED BY

ARGYLE
EXECUTIVE FORUM

A PORTFOLIO COMPANY OF

WICKS

Learn It

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