

ONLINE & MOBILE INDUSTRY

FULL YEAR 2013 :: Mergers and Acquisitions Trend Report

2013 KEY HIGHLIGHTS

- Yahoo! Inc. was the industry's most active acquirer with 27 transactions during 2013. The largest of these deals was the acquisition of Tumblr, Inc. for \$1.10 billion.
- There were 262 financially sponsored transactions with an aggregate value of \$15.52 billion, representing 12 percent of the total volume and 23 percent of the total value, respectively.

2013 KEY TRENDS

- Total transaction volume in 2013 increased by eight percent over 2012, from 2,029 to 2,187.
- Total transaction value in 2013 decreased by six percent over 2012, from \$70.98 billion to \$66.59 billion.
- The median revenue multiple moved slightly from 2.3x in 2012 to 2.2x in 2013. The median EBITDA multiple improved from 10.0x in 2012 to 12.2x in 2013.
- Both the SaaS & Cloud and E-Marketing & Search segments saw volume rise by 12 percent. These two segments were also tied for the largest increase in deal activity in 2013 over 2012.
- Transaction volume in the consumer mobile application subsector increased by 31 percent, from 168 to 220 transactions. One of the highest value mobile-based deals in 2013 was Google's acquisition of waze Mobile for \$966 million.

M&A MARKET OVERVIEW

Berkery Noyes tracked 6,124 Online & Mobile transactions between 2011 and 2013, of which 1,559 disclosed financial terms, and calculated the aggregate value to be \$157.17 billion. Based on known transaction values, we project values of 4,565 undisclosed transactions to be \$59.46 billion, totaling \$216.63 billion 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 2.2x revenue and 11.3x EBITDA.

Based on volume, the most active market segment that Berkery Noyes tracked between 2011 and 2013 was SaaS & Cloud with 1,607 transactions. Based on value, the largest market segment was E-Commerce with \$55.55 worth of transactions.

M&A Market Dynamics

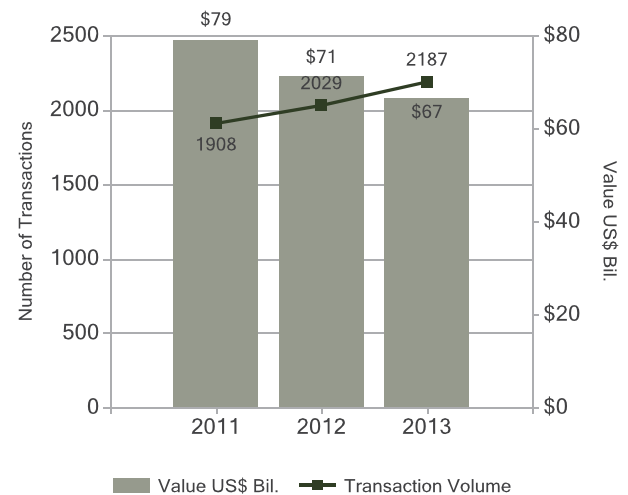


Figure 1. 2011-2013 value and volume comparison.

Median Enterprise Value Multiples

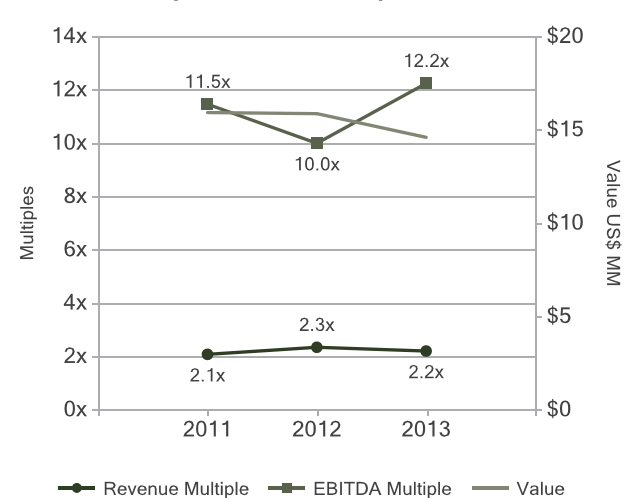
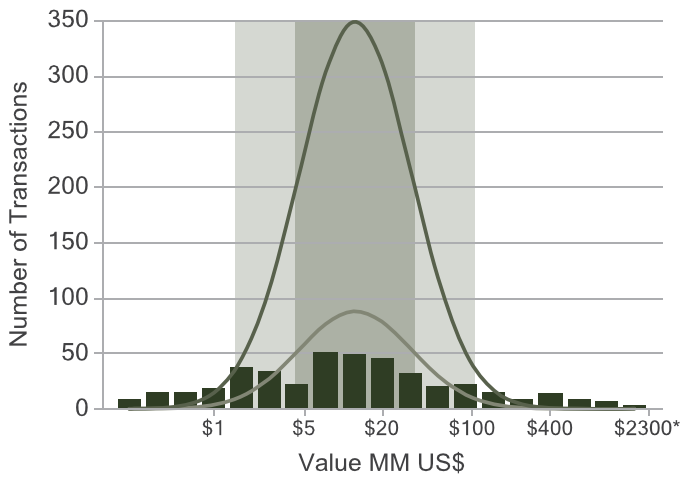


Figure 2. 2011-2013 median value, revenue, EBITDA comparison.

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

Bell Curve - Histogram



■ Actual Transactions — Known Dist. — Projected Dist.

Figure 3. Shows distribution of transactions among 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 \$244.7 million. Based on this data, we estimate the total transaction value of deals done in 2013 at \$66.6 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	8	0	8	2 %	2 %
\$0.4	15	1	15	3 %	5 %
\$0.6	16	4	19	4 %	9 %
\$1.0	18	14	32	4 %	13 %
\$1.6	37	45	81	8 %	21 %
\$2.7	34	108	142	8 %	29 %
\$4.5	23	205	228	5 %	34 %
\$7.4	50	303	353	11 %	46 %
\$12.2	49	348	397	11 %	57 %
\$20.1	45	312	356	10 %	67 %
\$33.1	32	217	249	7 %	74 %
\$54.6	20	118	138	5 %	79 %
\$90.0	22	50	71	5 %	84 %
\$148.4	15	16	31	3 %	87 %
\$244.7	9	4	13	2 %	89 %
\$403.4	13	1	13	3 %	92 %
\$665.1	9	0	9	2 %	94 %
\$1,096.6	7	0	7	2 %	96 %
\$1,808.0	3	0	3	1 %	97 %
Total #	440	1747	2187		
Total \$ Value	\$44,687	\$21,899	\$66,586		
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.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type

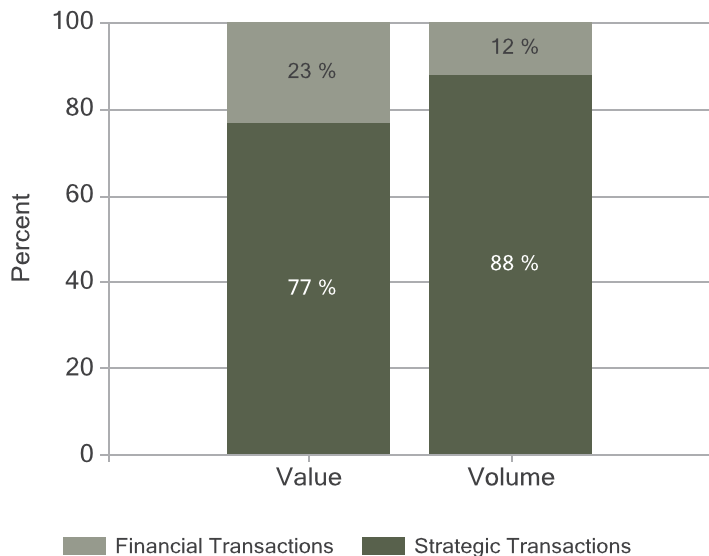


Figure 5. 2013 value and volume comparison by acquirer type.

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

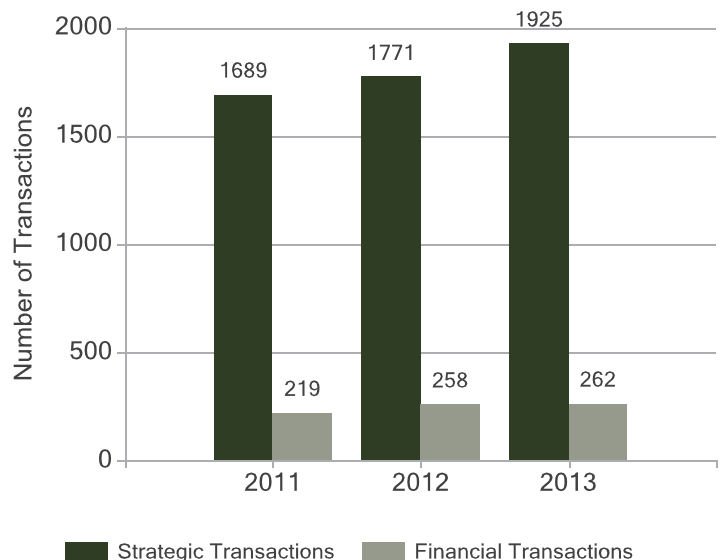


Figure 6. 2011-2013 transaction type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2013

Deal Date	Target Name	Buyer	Value MM US\$
06/03/13	ExactTarget	Salesforce.com, Inc.	\$2,267
11/21/13	Scout24 Group	Hellman & Friedman LLC	\$2,022
07/16/13	91 Wireless Websoft Limited	Baidu.com, Inc.	\$1,848
12/02/13	Digital Insight	NCR Corporation	\$1,645
10/15/13	Supercell	GungHo Online Entertainment, Inc.	\$1,530
02/18/13	Cerved Group SpA	CVC Capital Partners	\$1,491
06/10/13	R. L. Polk & Co	IHS, Inc.	\$1,403
12/20/13	Responsys	Oracle Corporation	\$1,385
11/05/13	GXS, Inc.	Open Text Corporation	\$1,105
05/20/13	Tumblr, Inc.	Yahoo! Inc.	\$1,100
2013 Aggregate Transaction Value			\$66,586
Top 10 Aggregate Transaction Value			\$15,796
Top 10 Aggregate Value as a Percentage of All Transactions			24 %

Figure 7. Lists the top ten transactions for 2012 and calculates their aggregate transaction value as a percentage of the 2012 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

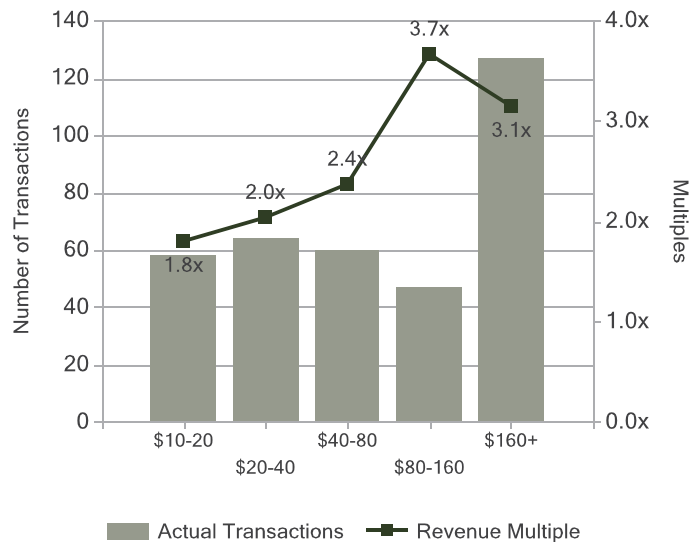


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from Jan. 1, 2011 to Dec. 31, 2013 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2011 – December 31, 2013

Transactions By Market Segment

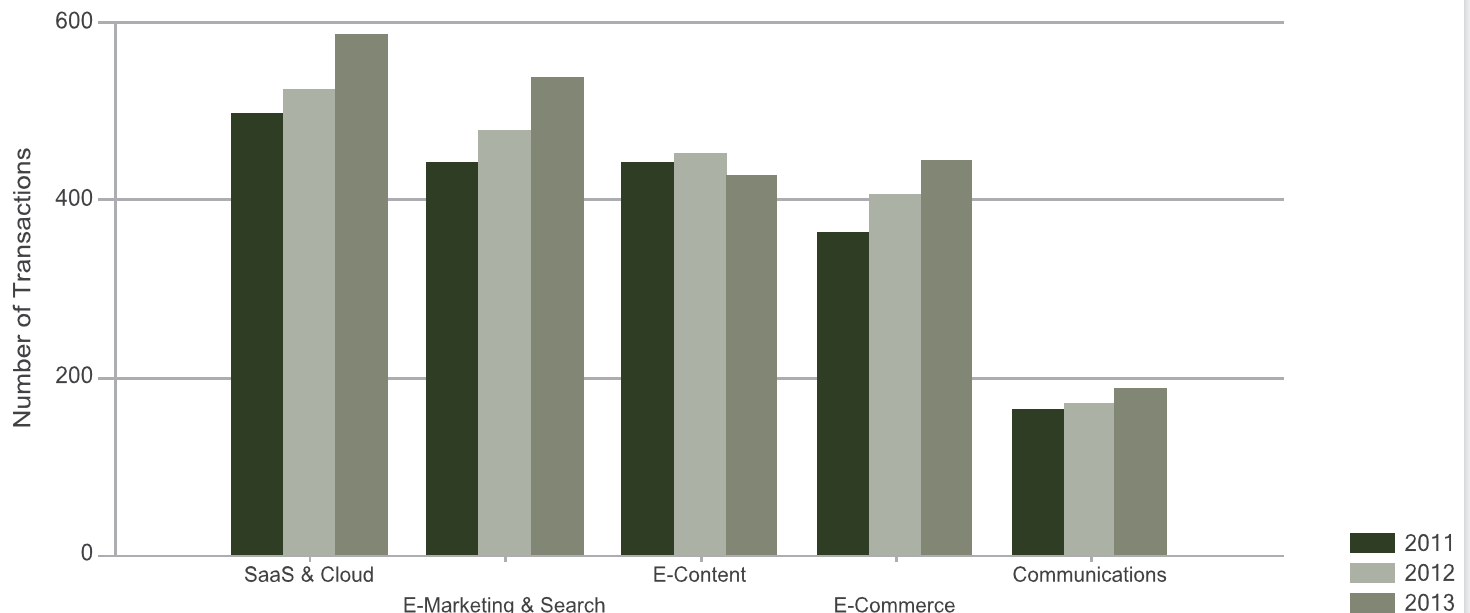


Figure 9. Presents transaction volume by market segment within the Online and Mobile Industry from Jan. 1, 2011 through Dec. 31, 2013.

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The DNA of M&A

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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HAS BEEN ACQUIRED BY

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DIVISION OF
 THOMSON REUTERS
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HealthcareSource[®]
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