

ONLINE & MOBILE INDUSTRY

Q3 2014 :: Mergers and Acquisitions Trend Report

Q3 2014 KEY HIGHLIGHTS

- Google Inc. was the most active acquirer in Q3 2014 with seven Online & Mobile transactions: Polar, Zync Render, JetPac Inc, Emu, Directr, drawElements Ltd. and Songza.
- The E-Commerce segment's largest transaction in Q3 2014 and year-to-date was Zillow's acquisition of Trulia for \$2.9 billion.
- There were 242 financially sponsored transactions in the 1st 3 Quarters of 2014, with an aggregate value of \$22.5 billion, representing 14 percent of the total volume and 21 percent of the total value, respectively.

Q3 2014 KEY TRENDS

- Total transaction volume in Q3 2014 declined by 12 percent over Q2 2014, from 621 to 546.
- Total transaction value in Q3 2014 increased by 74 percent over Q2 2014, from \$21.3 billion to \$37.0 billion.

MULTIPLES & VALUE TRENDS

- Both the median revenue and EBITDA multiple moved slightly from 2013 through the 1st 3 Quarters of 2014.
- The median revenue multiple saw an uptick from 2.2x to 2.4x, while the median EBITDA multiple decreased from 12.6x to 12.0x.

M&A Market Dynamics By Quarter

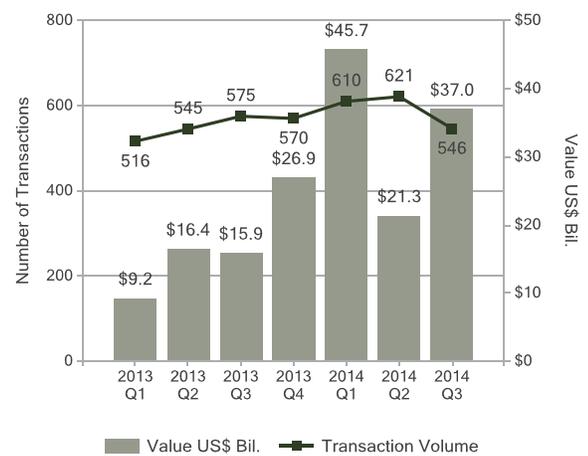


Figure 1. 2013-2014 value and volume comparison.

Median Enterprise Value Multiples

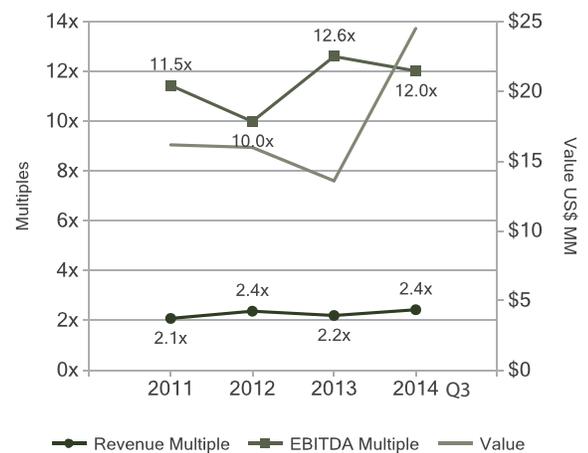


Figure 2. 2011-2014 median value, revenue, EBITDA comparison through Q3 2014.

Top Ten Notable Transactions - 1st 3 Quarters 2014

Deal Date	Target Name	Buyer	Value MM US\$
02/19/14	WhatsApp	Facebook	\$19,468
09/18/14	Concur Technologies, Inc.	SAP America, Inc.	\$7,603
07/28/14	Trulia, Inc.	Zillow, Inc.	\$2,908
09/15/14	Mojang AB	Microsoft Corporation	\$2,500
06/13/14	OpenTable	Priceline	\$2,361
09/11/14	Conversant, Inc.	Alliance Data Systems, Inc.	\$2,336
03/14/14	SkillSoft Limited	Charterhouse Capital Partners	\$2,300
08/05/14	Classified Ventures, LLC	Gannett Co., Inc.	\$1,755
01/22/14	AirWatch, LLC	VMware, Inc.	\$1,545
07/02/14	GlobalCollect	Ingenico Group	\$1,119

2014 Aggregate Transaction Value \$103,376

Top 10 Aggregate Transaction Value \$43,895

Top 10 Aggregate Value as a Percentage of All Transactions 42 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2014 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on announced date.

TOP TEN DEALS THROUGH Q3 2014

The top ten deals by value have seen six new additions since our half year report, three of which occurred in the E-Commerce segment. E-Commerce was also responsible for four of the industry's top ten largest deals year-to-date, making it the most represented segment in the list.

These six transactions, with an aggregate value of \$18.2 billion, represented 18 percent of transaction value in the 1st 3 Quarters of 2014 and 49 percent of Q3 2014 transaction value.

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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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