



ONLINE & MOBILE INDUSTRY

Q3 2015 :: Mergers and Acquisitions Trend Report

Q3 2015 KEY HIGHLIGHTS

- The E-Commerce segment's largest transaction in Q3 2015 and year-to-date was home shopping channel QVC, Inc.'s acquisition of Zulily, an online retailer that primarily serves millennial moms, for \$2.1 billion.
- There were 279 financially sponsored transactions in the 1st 3 Quarters of 2015 with an aggregate value of \$25.1 billion, representing 13 percent of the total volume and 23 percent of the total value, respectively.

Q3 2015 KEY TRENDS

- Total transaction volume in Q3 2015 declined by seven percent over Q2 2015, from 713 to 663. However, volume year-to-date increased 15 percent compared to the same timeframe in 2014.
- Total transaction value in Q3 2015 fell by 17 percent over Q2 2015, from \$45.5 billion to \$37.7 billion. This followed a 75 percent rise in Q1 2015.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2014 through the 1st 3 Quarters of 2015 moved slightly, from 2.4x to 2.3x.
- The median EBITDA multiple from 2014 through the 1st 3 Quarters of 2015 decreased by 22 percent, from 13.1x to 10.2x.

Top Ten Notable Transactions - 1st 3 Quarters 2015

Deal Date	Target Name	Buyer	Value MM US\$
06/15/15	Dealertrack Technologies	Cox Automotive, Inc.	\$4,361
05/12/15	AOL Inc.	Verizon Communications	\$4,126
08/14/15	Ellucian	TPG Capital, Leonard Green & Partners, L.P.	\$3,500
08/03/15	HERE	BMW Group, Audi Group, Mercedes-Benz	\$3,069
08/17/15	Zulily	QVC, Inc.	\$2,062
04/20/15	Websense, Inc.	Raytheon Company	\$1,900
09/04/15	bwin.party digital entertainment plc	GVC Holdings PLC	\$1,702
03/23/15	Skrill Group	Optimal Payments Plc	\$1,694
02/12/15	Orbitz Worldwide	Expedia, Inc.	\$1,684
04/09/15	Lynda.com	LinkedIn Corporation	\$1,500

2015 Aggregate Transaction Value \$108,608

Top 10 Aggregate Transaction Value \$25,597

Top 10 Aggregate Value as a Percentage of All Transactions 24 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2015 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

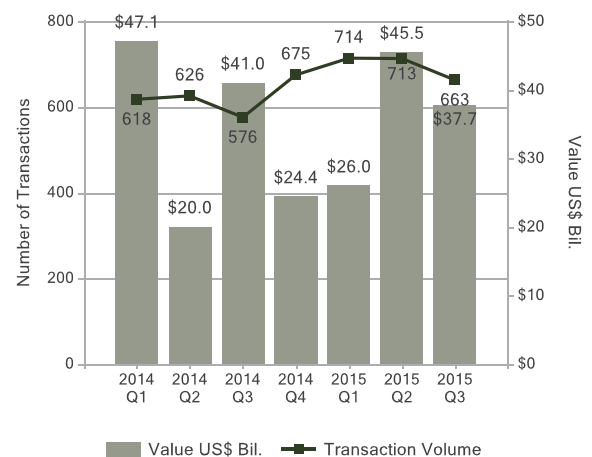


Figure 1. 2014-2015 value and volume comparison.

Median Enterprise Value Multiples

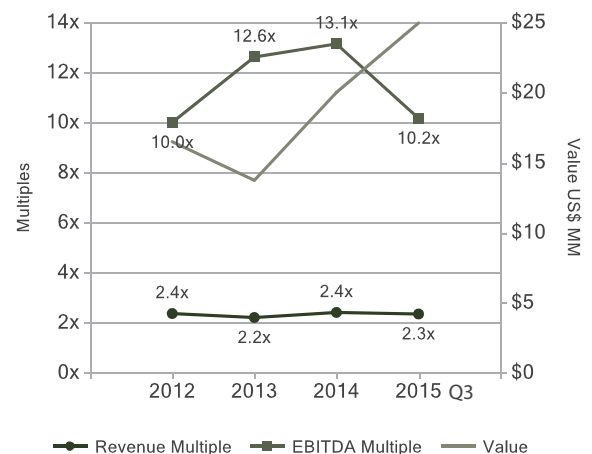


Figure 2. 2012-2015 median value, revenue, EBITDA comparison through Q3 2015.

TOP TEN DEALS THROUGH Q3 2015

The top ten deals by value have seen four new additions since our half year report, one of which was completed by a financial sponsor. The one private equity backed deal was Leonard Green Capital Partners' acquisition of Ellucian, which provides higher education software, services and analytics.

These four transactions, with an aggregate value of \$10.4 billion, represented 10 percent of transaction value in the 1st 3 Quarters of 2015 and 28 percent of Q3 2015 transaction value.

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