



## PRIVATE EQUITY INFORMATION INDUSTRY

### *Financially Sponsored Transactions within the Information Industry*

#### 1ST HALF 2012 :: Mergers and Acquisitions Trend Report

##### 1ST HALF 2012 KEY HIGHLIGHTS

- Advent International Corporation and GS Capital Partners' announced acquisition of TransUnion LLC, a subsidiary of Madison Dearborn Partners, was the largest transaction for 1st Half 2012, with an acquisition price of \$3.12 billion.
- The most active acquirers were Hellman & Friedman LLC and Vista Equity Partners. Both Private Equity firms had seven acquisitions each.
- The segment with the largest transaction volume was Health and Pharmaceuticals, which was responsible for 34 transactions.

##### 1ST HALF 2012 KEY TRENDS

- Total transaction volume in 1st Half 2012 increased by two percent over 2nd Half 2011, from 219 to 224.
- Total transaction value in 1st Half 2012 decreased by eight percent over 2nd Half 2011, from \$18.90 billion to \$17.33 billion.
- The median revenue multiple declined from 2.0x in 2nd Half 2011 to 1.4x in 1st Half 2012, while the median EBITDA multiple fell from 12.4x to 9.5x.

##### M&A MARKET OVERVIEW

Berkery Noyes tracked 983 transactions between 2010 and 1st Half 2012, of which 288 disclosed financial terms, and calculated the aggregate transaction value to be \$60.66 billion. Based on known transaction values, we project values of 695 undisclosed transactions to be \$15.30 billion, totaling \$75.96 billion worth of transactions tracked over the past two and a half years.

Of all the Private Equity transactions within the Information Industry during the last two and a half years, transactions valued at more than \$160 million garnered a median enterprise value multiple of 2.1x revenue. This was 110 percent greater than for companies with transaction values between \$10 to \$20 million, as they captured a median enterprise value multiple of 1.0x revenue.

The disclosed median revenue multiple for all segments combined for the timeframe covered in this report was 1.67x revenue.

**M&A Market Dynamics By Half Year**

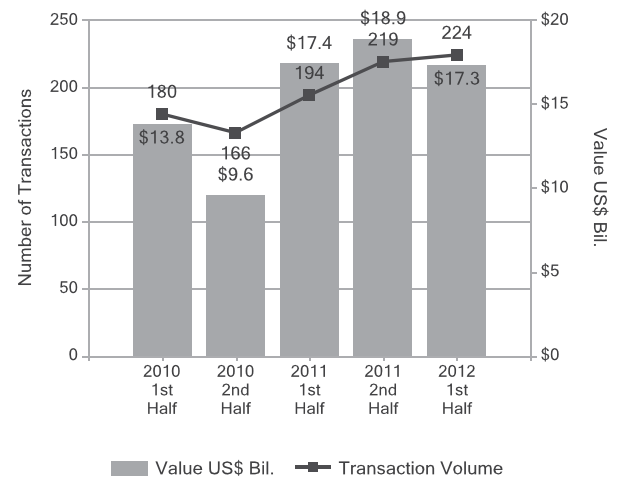


Figure 1. 2010 - 2012 value and volume comparison by half year.

**Median Enterprise Value Multiples By Half Year**

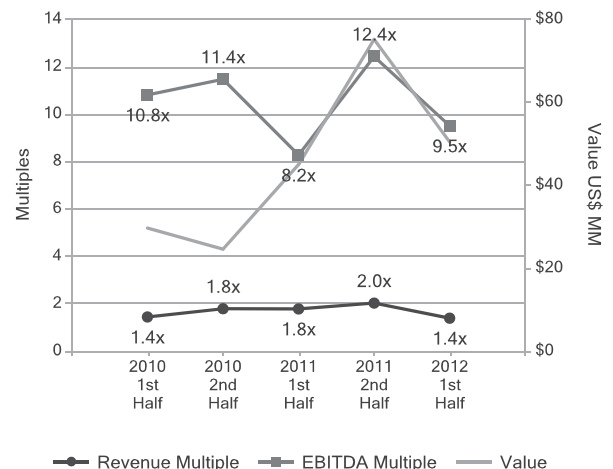
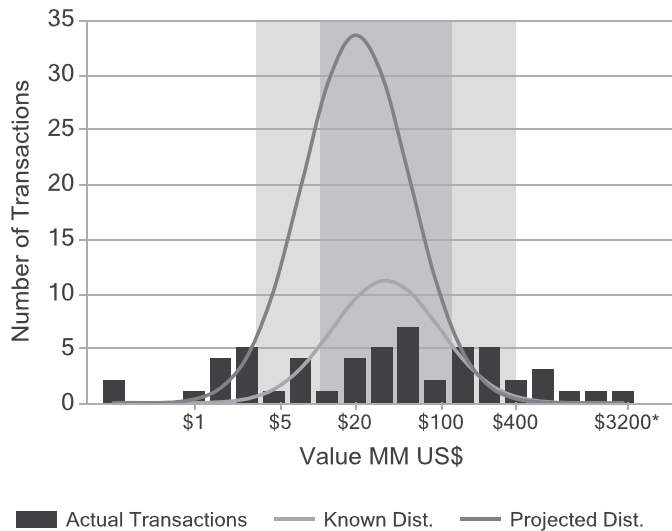


Figure 2. 2010 - 2012 median: value, revenue, EBITDA comparison by half year.

# Transaction Analysis :: Jan. 1, 2012 – June 30, 2012

**Bell Curve - Histogram - 1st Half**



**Figure 3.** Shows distribution of Private Equity transactions in the Information Industry based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$20.1 million to \$148.4 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2012 at \$17.3 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2012 to June 30, 2012.

**Distribution Table**

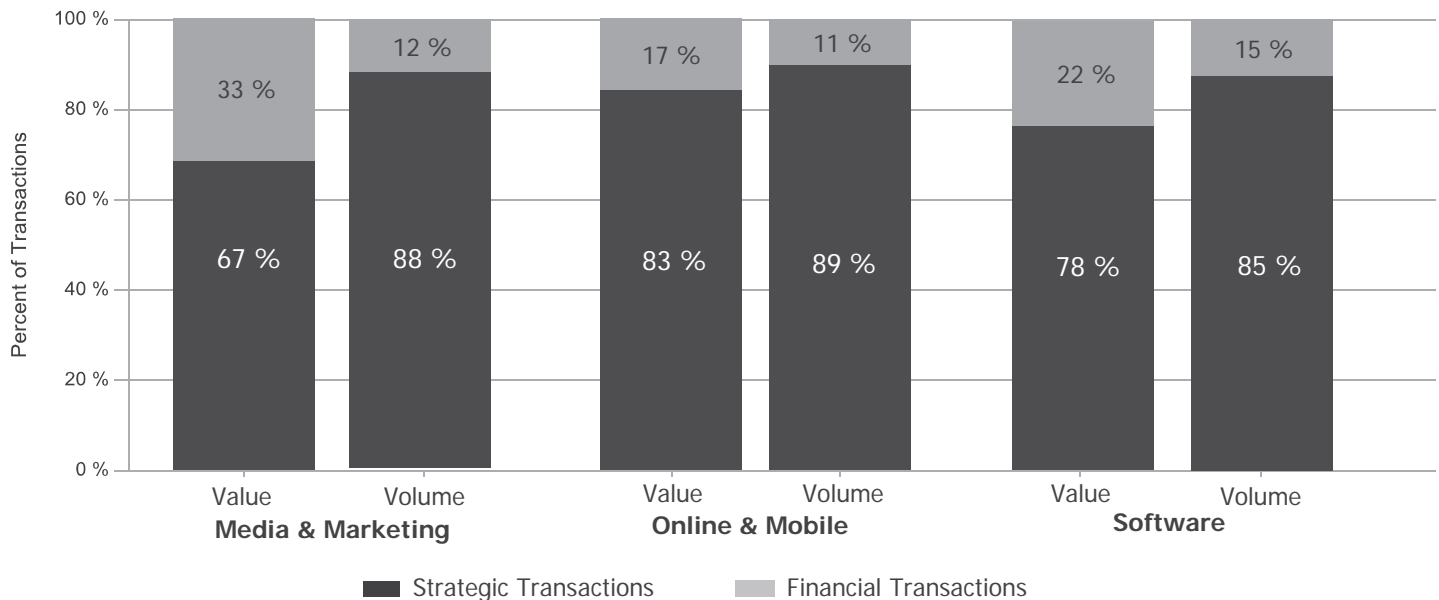
Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	2	0	2	4 %	4 %
\$0.4	0	0	0	0 %	4 %
\$0.6	0	0	0	0 %	4 %
\$1.0	1	0	1	2 %	5 %
\$1.6	4	1	5	7 %	13 %
\$2.7	5	4	9	9 %	21 %
\$4.5	1	10	11	2 %	23 %
\$7.4	4	20	23	7 %	30 %
\$12.2	1	29	30	2 %	32 %
\$20.1	4	34	37	7 %	39 %
\$33.1	5	30	34	9 %	48 %
\$54.6	7	21	27	13 %	61 %
\$90.0	2	11	13	4 %	64 %
\$148.4	5	5	9	9 %	73 %
\$244.7	5	2	6	9 %	82 %
\$403.4	2	0	2	4 %	86 %
\$665.1	3	0	3	5 %	91 %
\$1,096.6	1	0	1	2 %	93 %
\$1,808.0	1	0	1	2 %	95 %
\$2,981.0	1	0	1	2 %	96 %
<b>Total #</b>	<b>56</b>	<b>168</b>	<b>224</b>		
<b>Total \$ Value</b>	<b>\$13,862</b>	<b>\$3,469</b>	<b>\$17,331</b>		
<b>Middle 3rd of Industry</b>		<b>Middle 2/3rds of Industry</b>			

**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.

# M&A Dynamics by Acquirer Type :: Jan. 1, 2012 – June 30, 2012

**M&A Dynamics by Transaction Type and Segment**



**Figure 5.** Presents the transaction volume by target segment for Private Equity transactions in the Information Industry.

**Note:** Financially sponsored transactions include Private Equity backed strategic acquisitions.

# Purchaser Analysis

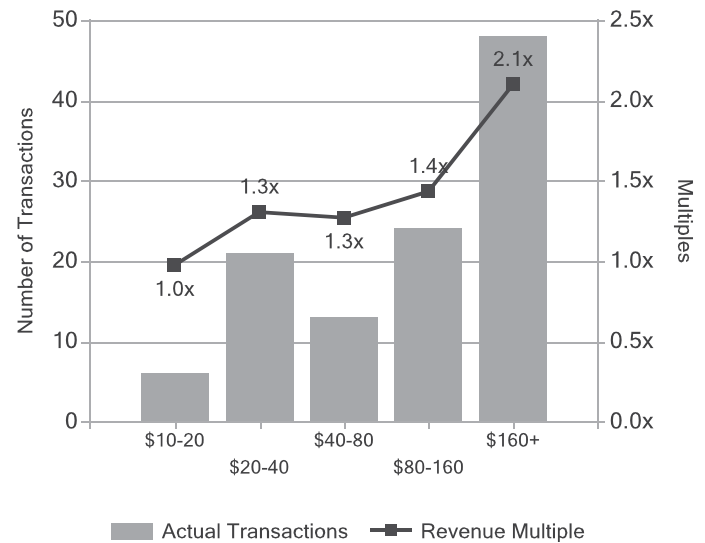
## Top Ten Notable Transactions - 1st Half 2012

Deal Date	Target Name	Buyer	Value MM US\$
02/17/12	TransUnion LLC	Advent International Corporation, GS Capital Partners	\$3,203
03/19/12	Misys plc	Turaz	\$2,018
04/23/12	Thomson Reuters' Healthcare Business	Veritas Capital Partners	\$1,250
06/11/12	Paradigm Ltd.	Apax Partners, JMI Equity	\$1,000
04/09/12	AT&T Advertising Solutions and AT&T Interactive	Cerberus Capital Management, L.P.	\$950
05/09/12	CAMP Systems International	GTCR, LLC	\$675
03/22/12	Global Information Management Business from Convergys Corporation	NetCracker Technology	\$449
04/10/12	ERT	Genstar Capital LLC	\$370
06/25/12	FIS Healthcare Benefit Solutions Business from Fidelity National Information Services Inc.	Lightyear Capital LLC	\$335
01/13/12	Hanley Wood, LLC	Tennenbaum Capital Partners, LLC, Oaktree Capital Management, LLC, Strategic Value Partners, LLC	N/A
2012 Aggregate Transaction Value			\$17,331
Top 9 Aggregate Transaction Value			\$10,249
<b>Top 9 Aggregate Value as a Percentage of All Transactions</b>			<b>59 %</b>

**Figure 6.** Lists the top ten transactions for 1st Half 2012 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**.

**N/A:** If the price is listed as N/A, Berkery Noyes did not calculate that value into the aggregate.

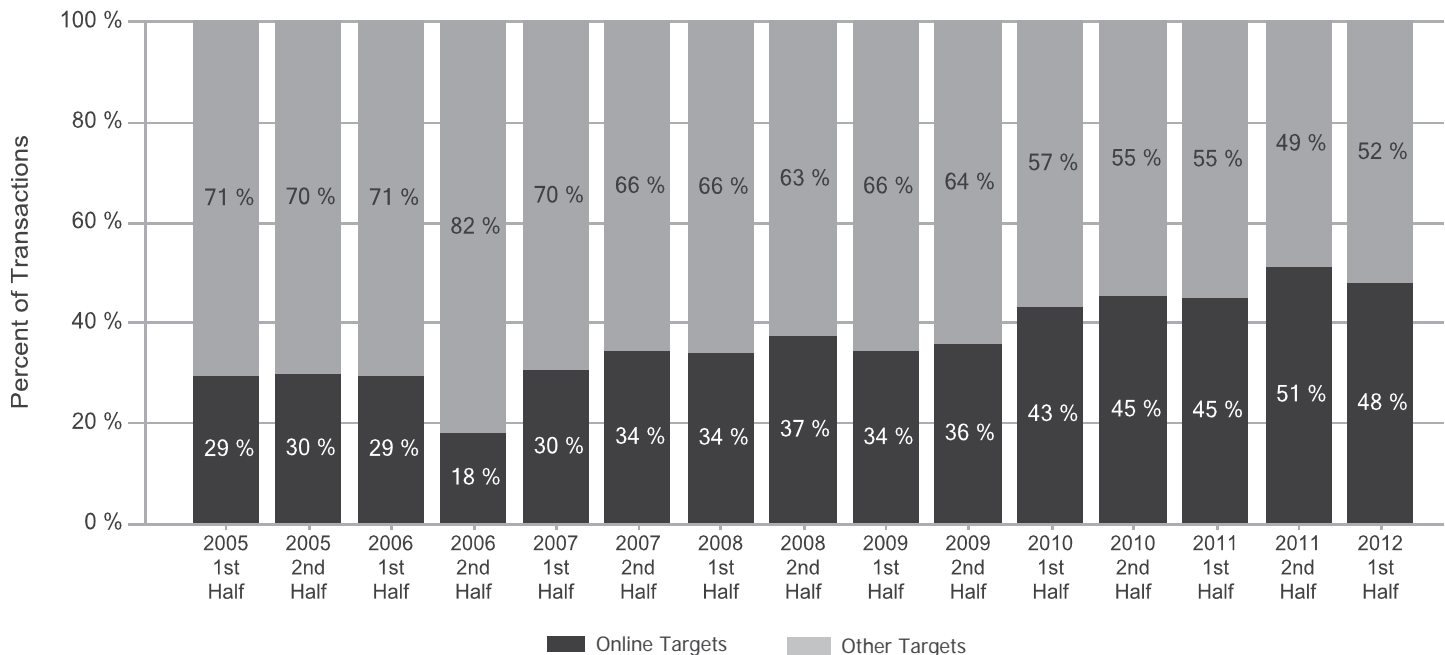
## Median EV/Revenue Multiples By Size



**Figure 7.** Presents the median enterprise value/revenue multiples paid for Private Equity transactions in the Information Industry from Jan. 1, 2010 to June 30, 2012 based on publicly available sales price and revenue data.

# Transactions Involving an Online Component

## Transaction Percentages of Online Targets



**Figure 8.** Percentage of total Private Equity transactions in the Information Industry where the target company conducts the majority of their business online. The total percentages are measured by half year from January 1, 2005 to June 30, 2012.

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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.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at [www.mandasoft.com](http://www.mandasoft.com)

## RECENT FINANCIALLY SPONSORED TRANSACTIONS

**CSP**

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