



## PRIVATE EQUITY INDUSTRY

*Financially Sponsored Transactions within the Information Industry*

### FULL YEAR 2012 :: Mergers and Acquisitions Trend Report

#### 2012 KEY HIGHLIGHTS

- The most active financial sponsor in the Information Industry in 2012 was Vista Equity Partners with 12 transactions. Vista's largest industry transaction during the year was its acquisition of Misys plc for \$2.02 billion.
- The top ten highest value deals in 2012 accounted for 51 percent of aggregate transaction value. The Carlyle Group was involved in two of the industry's three largest private equity transactions, representing 15 percent of deal value in 2012.
- There were 68 transactions in the Health & Pharmaceutical segment of the Information Industry in 2012. Two of these deals reached the \$1 billion threshold: Veritas Capital Partners' acquisition of Thomson Reuters' Healthcare Business for \$1.25 billion and One Equity Partners' acquisition of M\*Modal for \$1.06 billion.

#### M&A Market Dynamics

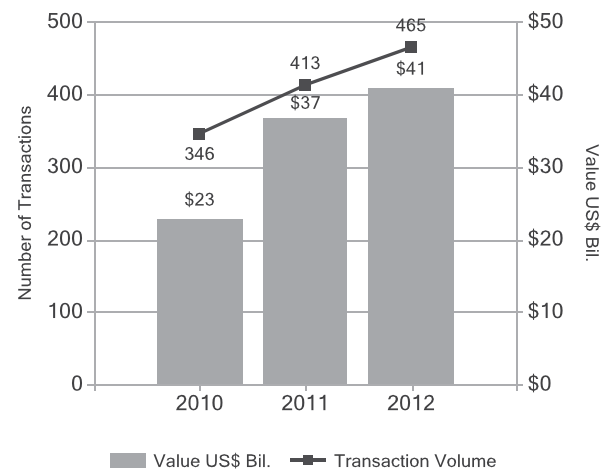


Figure 1. 2011-2012 value and volume comparison.

#### 2012 KEY TRENDS

- Total transaction volume in 2012 increased by 13 percent over 2011, from 413 to 465.
- Total transaction value in 2012 rose by 11 percent over 2011, from \$36.74 billion to \$40.79 billion.
- The median revenue multiple declined from 1.8x in 2011 to 1.4x in 2012. Meanwhile, the median EBITDA multiple improved from 9.1x to 9.7x.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 1,224 transactions between 2010 and 2012, of which 358 disclosed financial terms, and calculated the aggregate transaction value to be \$84.17 billion. Based on known transaction values, we project values of 866 undisclosed transactions to be \$15.51 billion, totaling \$99.68 billion worth of transactions tracked over the past three years.

In the Media and Marketing portion of the Information Industry, the most active financial sponsor by volume between 2010 and 2012, either directly or through an affiliated business, was Veronis Suhler Stevenson with 25 transactions. Six of these occurred in 2012.

#### Median Enterprise Value Multiples

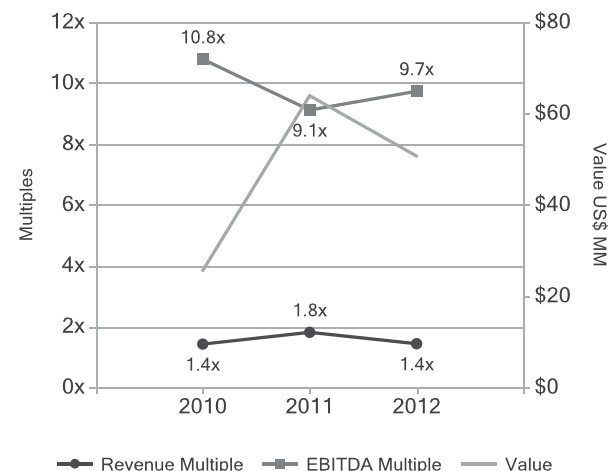
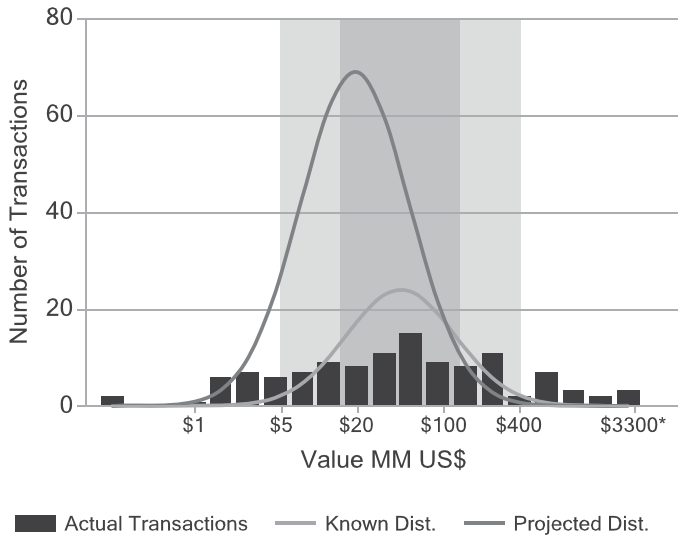


Figure 2. 2010-2012 median value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2012 – December 31, 2012

## Bell Curve - Histogram



**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 \$90.0 million. Based on this data, we estimate the total transaction value of deals done in 2012 at \$40.8 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2012 to Dec. 31, 2012

## Distribution Table

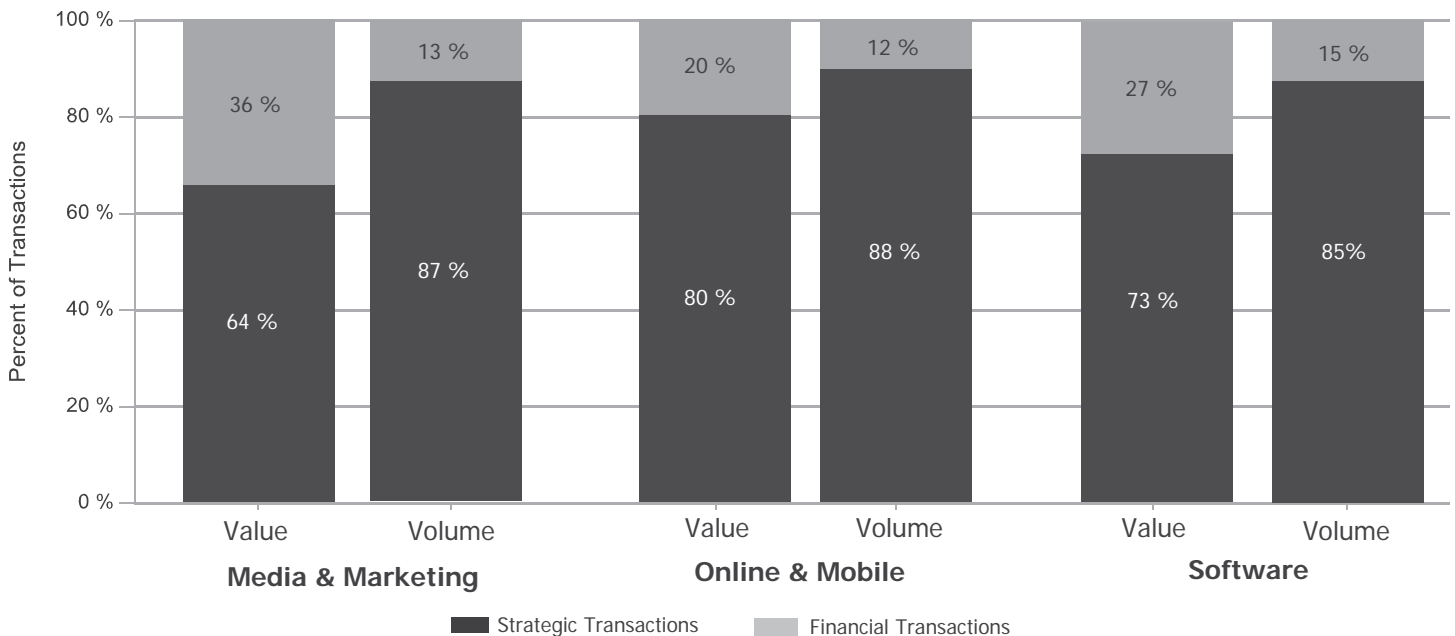
Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	2	0	2	2 %	2 %
\$0.4	0	0	0	0 %	2 %
\$0.6	0	0	0	0 %	2 %
\$1.0	1	1	1	1 %	3 %
\$1.6	6	3	9	5 %	8 %
\$2.7	7	10	16	6 %	13 %
\$4.5	6	23	29	5 %	18 %
\$7.4	7	43	50	6 %	24 %
\$12.2	9	62	70	8 %	32 %
\$20.1	8	69	76	7 %	38 %
\$33.1	11	60	70	9 %	48 %
\$54.6	15	41	55	13 %	60 %
\$90.0	9	21	30	8 %	68 %
\$148.4	8	9	16	7 %	74 %
\$244.7	11	3	13	9 %	83 %
\$403.4	2	1	2	2 %	85 %
\$665.1	7	0	7	6 %	91 %
\$1,096.6	3	0	3	3 %	93 %
\$1,808.0	2	0	2	2 %	95 %
\$2,981.0	3	0	3	3 %	98 %
<b>Total #</b>	<b>120</b>	<b>345</b>	<b>465</b>		
<b>Total \$ Value</b>	<b>\$34,062</b>	<b>\$6,727</b>	<b>\$40,789</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 :: January 1, 2012 – December 31, 2012

## M&A Dynamics by Transaction Type and Industry



**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

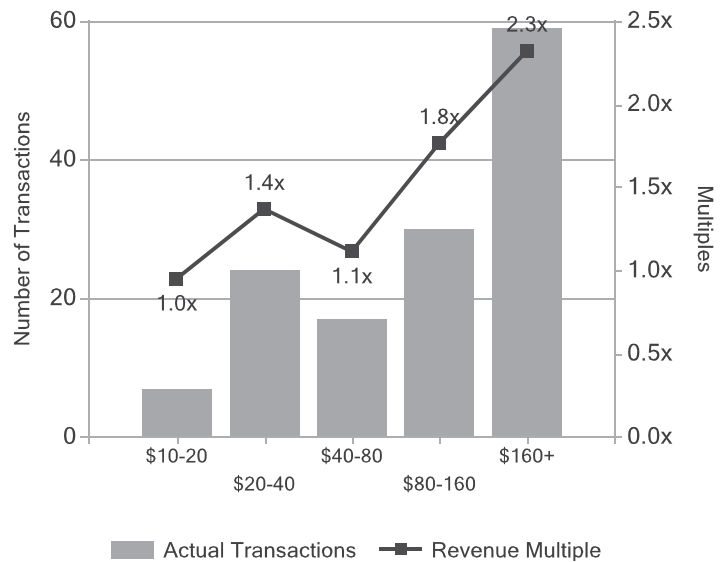
## Top Ten Notable Transactions 2012

Deal Date	Target Name	Buyer	Value MM US\$
08/15/12	Getty Images, Inc.	Carlyle Group	\$3,300
02/17/12	TransUnion LLC	Advent International, GS Capital Partners	\$3,203
12/19/12	Focus Media Holding Limited	Carlyle Group, CITIC Capital, FountainVest Partners, CDH Investments, China Everbright Limited	\$3,023
11/26/12	McGraw-Hill Education	Apollo Global Management	\$2,621
03/19/12	Misys plc	Turaz	\$2,018
11/01/12	JDA Software Group, Inc.	RedPrairie Corporation	\$1,804
10/22/12	Ancestry.com	Permira	\$1,435
04/23/12	Thomson Reuters' Healthcare Business	Veritas Capital Partners	\$1,250
07/04/12	Wood Mackenzie	Hellman & Friedman LLC	\$1,076
07/03/12	M*Modal	One Equity Partners	\$1,055
2012 Aggregate Transaction Value			\$40,789
Top 10 Aggregate Transaction Value			\$20,786
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>51 %</b>

**Figure 6.** 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.

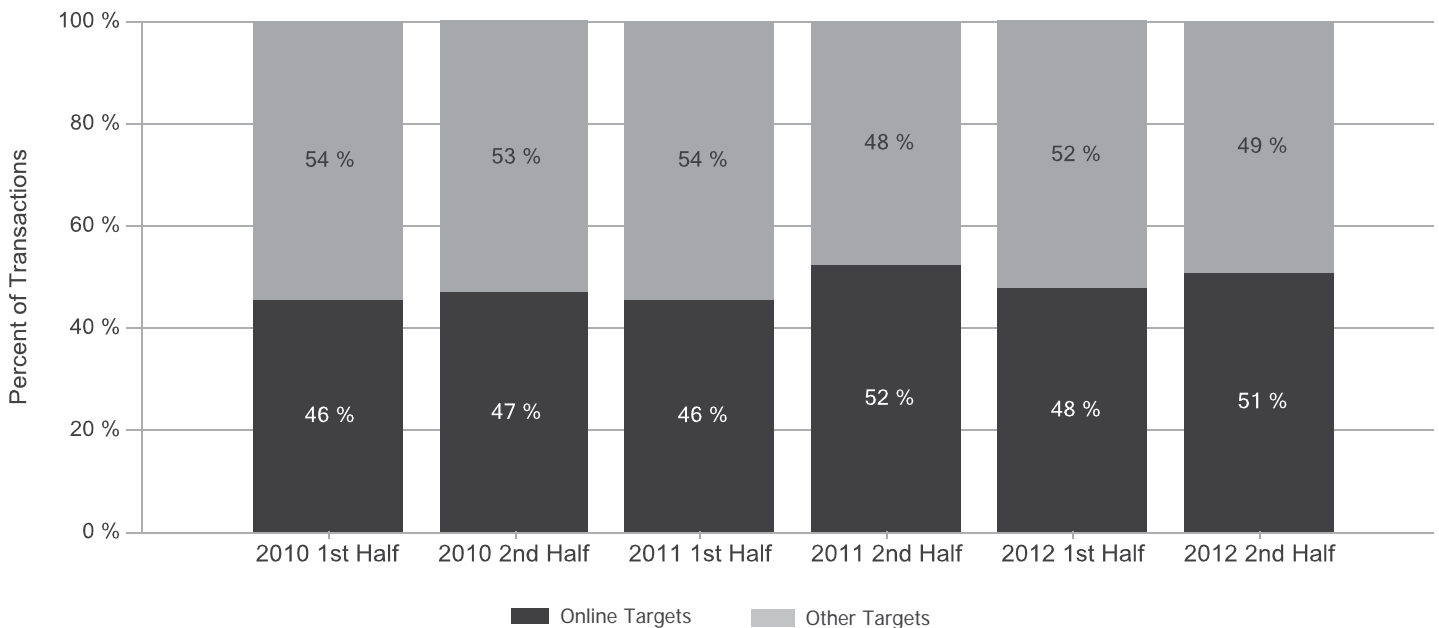
## Median EV/Revenue Multiples By Size



**Figure 7.** Presents the median enterprise value/revenue multiples paid for private equity transactions in the Information Industry from Jan. 1, 2010 to Dec. 31, 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 Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by Half Year from 2010-2012.

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**JOHN SHEA**

*Managing Partner*



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

**ADVANSTAR**

HAS ACQUIRED



**HealthcareSource**  
A PORTFOLIO COMPANY OF  
**INSIGHT VENTURE PARTNERS**

HAS ACQUIRED



A BUSINESS OF



A PORTFOLIO COMPANY OF

**PROVIDENCEEQUITY**

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**Information Group**

HAS BEEN ACQUIRED BY



Redwood Acquisitions, LLC

**Healthx**

A PORTFOLIO COMPANY OF

**LIBERTY PARTNERS**

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IN A MAJORITY  
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**PRIMUS**

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