



## PRIVATE EQUITY INFORMATION INDUSTRY

### Q3 2014 :: Mergers and Acquisitions Trend Report

#### Q3 2014 KEY HIGHLIGHTS

- The industry's most active acquirer year-to-date was Vista Equity Partners with 27 transactions, ten of which occurred in Q3 2014.
- Vista was also responsible for the largest transaction in Q3 2014 with the acquisition of TIBCO Software, a provider of infrastructure and business intelligence software, for \$4.0 billion.

#### Q3 2014 KEY TRENDS

- Total transaction volume in Q3 2014 declined by eight percent over Q2 2014, from 150 to 138. However, volume year-to-date increased 24 percent compared to the corresponding timeframe in 2013.
- Total transaction value in Q3 2014 remained nearly constant over Q2 2014, from \$12.2 billion to \$12.0 billion.
- Transaction volume in the industry's Healthcare vertical in Q3 2014 improved by 35 percent over Q2 2014.
- The number of secondary buyouts year-to-date rose by 50 percent compared to the same period in 2013, from 34 to 51.

#### MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2013 through Q3 2014 saw an uptick, from 2.1x to 2.4x. The median EBITDA multiple from 2013 through Q3 2014 moved slightly, from 12.0x to 12.4x.

M&A Market Dynamics By Quarter

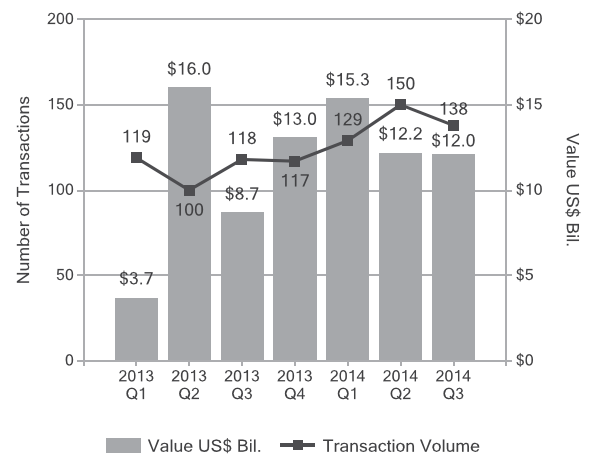


Figure 1. 2013-2014 value and volume comparison.

Median Enterprise Value Multiples

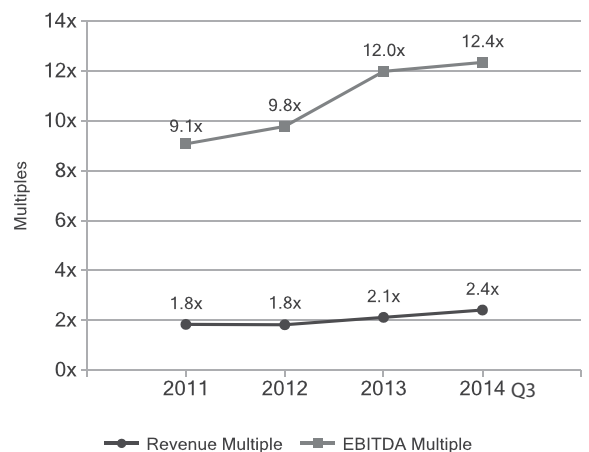


Figure 2. 2011-2014 median value, revenue, EBITDA comparison through Q3 2014.

#### Top Ten Notable Transactions - 1st 3 Quarters 2014

Deal Date	Target Name	Buyer	Value MM US\$
06/16/14	Advantage Sales and Marketing	Leonard Green & Partners, L.P., CVC Capital Partners	\$4,200
09/29/14	TIBCO Software Inc.	Vista Equity Partners	\$3,952
03/03/14	Catalina	Berkshire Partners LLC	\$2,500
03/14/14	SkillSoft Limited	Charterhouse Capital Partners	\$2,300
09/02/14	Compuware Corporation	Thoma Bravo, LLC	\$2,052
01/21/14	Trader Media Group	Apax Partners	\$1,926
03/13/14	Renaissance Learning, Inc.	Hellman & Friedman LLC	\$1,100
06/03/14	Internet Brands, Inc.	Kohlberg Kravis Roberts & Co.	\$1,100
04/14/14	Ipreo Holdings LLC	Blackstone Group LP, Goldman Sachs Merchant Banking	\$975
03/18/14	Travelclick, Inc.	Thoma Bravo, LLC	\$930

2014 Aggregate Transaction Value \$37,971

Top 10 Aggregate Transaction Value \$21,035

Top 10 Aggregate Value as a Percentage of All Transactions 55 %

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 two new additions since our half year report. Of note, five of the industry's top ten highest value deals year-to-date occurred in Q1 2014, two of which occurred in the vertical Education market: Charterhouse Capital Partners' acquisition of SkillSoft Limited and Hellman & Friedman LLC's acquisition of Renaissance Learning, Inc.

These two transactions, with an aggregate value of \$6.0 billion, represented 16 percent of transaction value in the 1st 3 Quarters of 2014 and 50 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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