

PRIVATE EQUITY INFORMATION INDUSTRY

Q3 2015 :: Mergers and Acquisitions Trend Report

Q3 2015 KEY HIGHLIGHTS

- The largest transaction in Q3 2015 and year-to-date was The Carlyle Group's announced acquisition of Veritas Technologies Corporation, a provider of storage and server management software solutions, for \$8 billion. This deal represented almost one-third of the industry's aggregate value during the quarter.

Q3 2015 KEY TRENDS

- Total transaction volume in Q3 2015 declined by 17 percent over Q2 2015, from 159 to 136. However, volume year-to-date increased six percent compared to the corresponding timeframe in 2014.
- Total transaction value in Q3 2015 gained 22 percent over Q2 2015, from \$20 billion to \$24.4 billion. Moreover, aggregate value nearly quadrupled when compared to Q1 2015.
- Sponsored volume in the industry's Education vertical in Q3 2015 improved by 24 percent over Q2 2015, from 25 to 31.
- The number of secondary buyouts year-to-date rose by 12 percent compared to the same period in 2014, from 51 to 57.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2014 through Q3 2015 increased by 21 percent, from 1.9x to 2.3x. The median EBITDA multiple moved upward by 11 percent, from 12.4x to 13.7x.

M&A Market Dynamics By Quarter

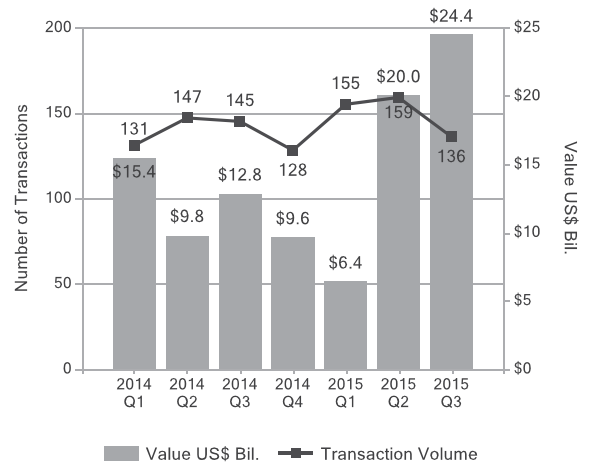


Figure 1. 2014-2015 value and volume comparison.

Median Enterprise Value Multiples

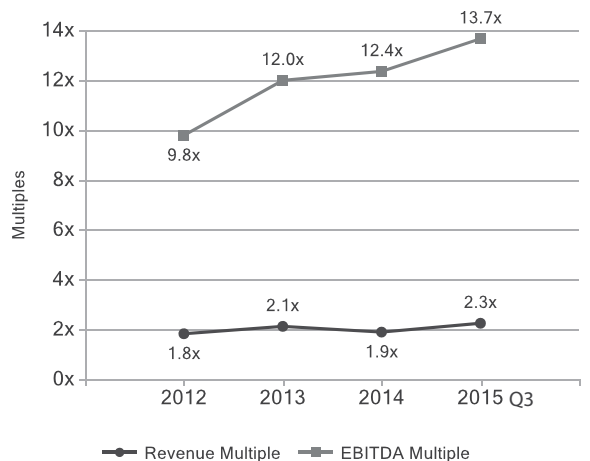


Figure 2. 2012-2015 median value, revenue, EBITDA comparison through Q3 2015.

Top Ten Notable Transactions - 1st 3 Quarters 2015

Deal Date	Target Name	Buyer	Value MM US\$
08/11/15	Veritas Technologies Corporation	Carlyle Group	\$8,000
09/14/15	Solera Holdings, Inc.	Vista Equity Partners	\$5,793
04/07/15	Informatica Corp.	Permira, CPP Investment Board	\$4,769
08/14/15	Ellucian	TPG Capital, Leonard Green & Partners, L.P.	\$3,500
03/10/15	Blue Coat Systems, Inc.	Bain Capital	\$2,400
04/20/15	Cirque du Soleil	TPG Capital	\$1,222
09/10/15	PGL, Inc.	Siris Capital Group	\$979
07/16/15	eBay Enterprise	Sterling Partners, Permira, Innotrac Corporation, Longview Asset Management	\$925
08/11/15	GT Nexus	Infor	\$675
07/31/15	Chime Communications PLC	WPP Group, plc, Providence Equity Partners Inc.	\$585

2015 Aggregate Transaction Value \$45,508

Top 10 Aggregate Transaction Value \$28,848

Top 10 Aggregate Value as a Percentage of All Transactions 63 %

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. Transaction data based on announced date.

TOP TEN DEALS THROUGH Q3 2015

The top ten deals by value have seen seven new additions since our half year report. Of note, Vista Equity Partners' acquisition of Solera Holdings, a provider of risk management software in the automotive and property marketplace, which includes the property and casualty (P&C) sector, was the largest deal ever completed by the private equity firm.

These seven transactions, with an aggregate value of \$20.5 billion, represented 45 percent of transaction value in the 1st 3 Quarters of 2015 and 84 percent of Q3 2015 transaction value.

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RECENT FINANCIALLY SPONSORED TRANSACTIONS

A PORTFOLIO COMPANY OF

Vista Equity Partners

HAS ACQUIRED

A PORTFOLIO COMPANY OF

HAS ACQUIRED

FROM

HAS BEEN ACQUIRED BY

HAS ACQUIRED

HAS ACQUIRED

A BUSINESS OF

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

A DIVISION OF

ACQUIRED & ENTERED LONG TERM PARTNERSHIP WITH

RECAPITALIZATION WITH

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

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