

## SOFTWARE INDUSTRY

### Q3 2012 :: Mergers and Acquisitions Trend Report

#### Q3 2012 KEY HIGHLIGHTS

- The most active Software Industry acquirers in Q3 2012 were Google Inc. and EMC Corporation with four transactions each. Through its subsidiary VMware Inc., EMC Corporation acquired Log Insight from Pattern Insight Inc., Nicira, Inc. and DynamicOps, Inc.
- The largest transaction in Q3 2012 was Roper Industries, Inc.'s acquisition of Sunquest Information Systems, Inc., a portfolio company of Vista Equity Partners, for \$1.4 billion.

#### Q3 2012 KEY TRENDS

- Total transaction volume in Q3 2012 decreased by 11 percent over Q2 2012, from 411 to 364.
- Total transaction value in Q3 2012 fell by 35 percent over Q2 2012, from \$21.3 billion to \$13.9 billion.

#### MULTIPLES & VALUE TRENDS

- The median revenue multiple in Q3 2012 increased by 14 percent over Q2 2012, from 2.1x to 2.4x.
- The median EBITDA multiple in Q3 2012 decreased by 15 percent over Q2 2012, from 11.7x to 9.9x.
- Thoma Bravo, LLC's announced acquisition of Deltek, Inc. represented a 3.0x revenue multiple and 18.2x EBITDA multiple.

#### Top Ten Notable Transactions - 1st 3 Quarters 2012

Deal Date	Target Name	Buyer	Value MM US\$
03/15/12	NDS Group Ltd.	Cisco Systems, Inc.	\$4,965
05/22/12	Ariba, Inc.	SAP America, Inc.	\$4,402
06/29/12	Quest Software, Inc.	Dell, Inc.	\$2,248
03/19/12	Misys plc	Turaz	\$2,018
02/09/12	Taleo Corporation	Oracle Corporation	\$1,805
07/30/12	Sunquest Information Systems, Inc.	Roper Industries, Inc.	\$1,390
07/23/12	Nicira, Inc.	VMware Inc.	\$1,260
07/03/12	M*Modal	One Equity Partners	\$1,055
08/27/12	Deltek, Inc.	Thoma Bravo, LLC	\$1,005
06/11/12	Paradigm Ltd.	Apax Partners, JMI Equity	\$1,000

2012 Aggregate Transaction Value \$52,450

Top 10 Aggregate Transaction Value \$21,148

**Top 10 Aggregate Value as a Percentage of All Transactions 40 %**

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2012 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

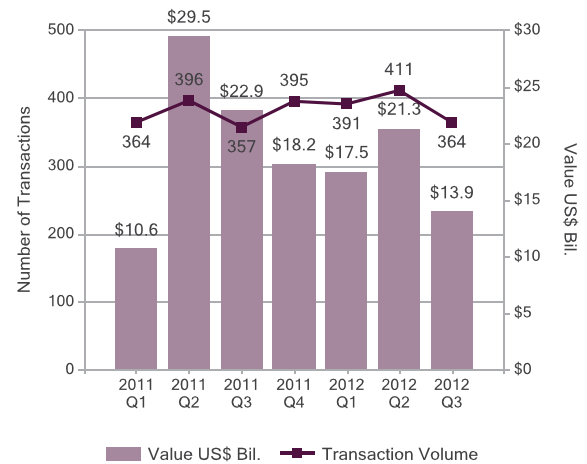


Figure 1. 2011-2012 value and volume comparison by quarter.

#### Median Enterprise Value Multiples By Quarter

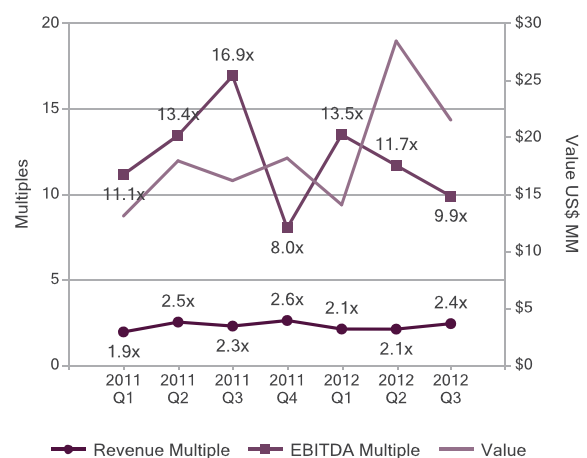


Figure 2. 2011-2012 median value, revenue, and EBITDA comparison by quarter.

#### TOP TEN DEALS THROUGH Q3 2012

The top ten deals by value have seen four new additions since our half year report: Roper Industries, Inc.'s acquisition of Sunquest Information Systems, Inc., VMware Inc.'s announced acquisition of Nicira, Inc., One Equity Partners' acquisition of M\*Modal, and Thoma Bravo, LLC's announced acquisition of Deltek, Inc.

These four transactions, with an aggregate value of \$4.7 billion, represented nine percent of transaction value in the 1st 3 Quarters of 2012 and 34 percent of Q3 2012 transaction value.

# BERKERY NOYES

INVESTMENT BANKERS

Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 475 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

Berkery Noyes is unique among investment banking firms in that we combine independent strategic research and actionable intelligence with senior banking expertise.

Berkery Noyes Securities LLC assists middle market companies with raising growth capital in the debt and equity markets.

**CONTACT US TODAY FOR A CONFIDENTIAL DISCUSSION OF YOUR STRATEGIC OPTIONS**

**212-668-3022**

## MANAGING DIRECTORS

**JOHN GUZZO**

*FinTech Group*

**EVAN KLEIN**

*Media, Entertainment & Marketing Services*

**JONATHAN KRIEGER**

*Healthcare Group*

**THOMAS O'CONNOR**

*Healthcare Group*

**DICK O'DONNELL**

*Finance Group*

**PETER OGNIBENE**

*FinTech Group*

**JEFFREY SMITH**

*Healthcare Group*

**KATHLEEN THOMAS**

*Media & Marketing Services Group*

**PETER YOON**

*Education Group*

**MARY JO ZANDY**

*Media, Education, Software & Online*

## PARTNERS

**JOSEPH BERKERY**

*Chief Executive Officer*

**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. Please note that for evaluating aggregate transaction values, we cite the total consideration paid by the acquirer.

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 SOFTWARE TRANSACTIONS

**Healthx**

A PORTFOLIO COMPANY OF

**LIBERTY PARTNERS**

HAS BEEN ACQUIRED  
IN A MAJORITY  
RECAPITALIZATION BY

**FrontierCapital**



**class.com**

HAS BEEN ACQUIRED BY



**Cambium  
LEARNING  
Group**

V S S Veronis Suhler Stevenson

HAS ACQUIRED

**Strata Decision  
Technology**



**Bookette**  
Software Company

HAS BEEN ACQUIRED BY

**McGraw-Hill CTB  
McGraw-Hill**

A DIVISION OF

**The McGraw-Hill Companies**

**PredictiveMetrics™**  
Turning Probabilities into Profits™

HAS BEEN ACQUIRED BY

**SUNGARD®** AvantGard LLC

A DIVISION OF

**SUNGARD®**

IMAGE SOLUTIONS, INC.



HAS BEEN ACQUIRED BY



**embanet**

a portfolio company of

**Knowledge Universe™** **TCV**  
TECHNOLOGY CROSSOVER VENTURES

HAS MERGED WITH



**COMPASS**  
KNOWLEDGE GROUP



**MortgageCadence®**  
Enterprise Lending Solutions

HAS BEEN ACQUIRED BY



**MONITOR CLIPPER  
PARTNERS**

**VERSA**  
SYSTEMS

HAS BEEN ACQUIRED BY

**IRON DATA**



HAS BEEN ACQUIRED BY

**ORACLE®**

One Liberty Plaza | New York, New York 10006

[berkerynoyes.com](http://berkerynoyes.com) | 212.668.3022