

## SOFTWARE INDUSTRY

### Q3 2013 :: Mergers and Acquisitions Trend Report

#### Q3 2013 KEY HIGHLIGHTS

- The most active financial sponsor year-to-date was Vista Equity Partners with 11 industry transactions, six of which occurred in Q3 2013. In terms of purchase price, Vista Equity Partners completed several notable deals during the quarter, such as the acquisition of Active Network, Inc. for \$904 million, the acquisition of Omnitrac for \$800 million, and the acquisition of Greenway Medical Technologies, Inc. for \$644 million.
- The overall industry's largest transaction both in Q3 2013 and year-to-date was the announced management buyout of Activision Blizzard, a video game developer, for \$8.2 billion.

#### Q3 2013 KEY TRENDS

- Total transaction volume in Q3 2013 improved by four percent over Q2 2013, from 386 to 401.
- Total transaction value in Q3 2013 increased by 17 percent over Q2 2013, from \$26.2 billion to \$30.6 billion.

#### MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2012 through the 1st 3 Quarters of 2013 experienced an uptick, from 2.1x to 2.3x.
- The median EBITDA multiple from 2012 through the 1st 3 Quarters of 2013 moved slightly, from 11.3x to 10.8x.

M&A Market Dynamics By Quarter

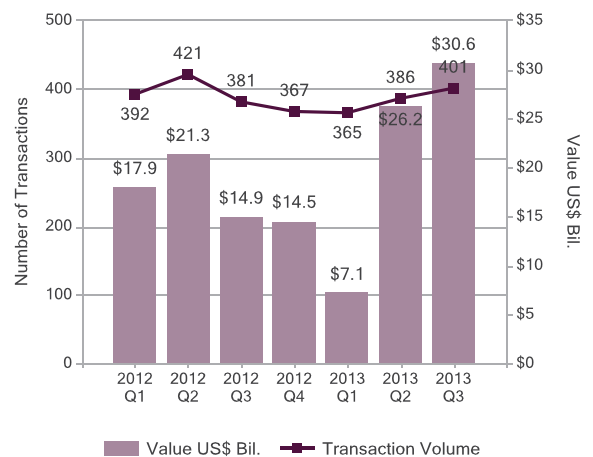


Figure 1. 2012-2013 value and volume comparison.

Median Enterprise Value Multiples



Figure 2. 2010-2013 median value, revenue, EBITDA comparison through Q3 2013.

#### Top Ten Notable Transactions - 1st 3 Quarters 2013

Deal Date	Target Name	Buyer	Value MM US\$
07/26/13	Activision Blizzard	Activision Blizzard	\$8,200
05/06/13	BMC Software, Inc.	Bain Capital, Golden Gate Capital, GIC, Insight Venture Partners	\$6,814
08/01/13	Invensys Inc.	Schneider Electric SA	\$4,617
05/28/13	Lender Processing Services	Fidelity National Financial	\$3,831
07/23/13	Sourcefire, Inc.	Cisco Systems, Inc.	\$2,700
06/03/13	ExactTarget	Salesforce.com, Inc.	\$2,250
07/24/13	Harland Financial Solutions	Davis + Henderson Corporation	\$1,629
07/01/13	Intuit Financial Services	Thoma Bravo, LLC	\$1,025
01/14/13	Open Solutions Inc.	Fiserv, Inc.	\$1,015
06/05/13	Hybris	SAP AG	N/A

2013 Aggregate Transaction Value \$63,867

Top 9 Aggregate Transaction Value \$32,080

**Top 9 Aggregate Value as a Percentage of All Transactions 50 %**

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2013, including the management buyout of Activision Blizzard, 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 2013

The top ten deals by value have seen five new additions since our half year report, including one in the Infrastructure Software segment: Cisco Systems, Inc.'s acquisition of Sourcefire, Inc. This was also the highest value transaction in the cyber-security subset since 2010, when Intel Corporation acquired McAfee, Inc. for \$7.5 billion.

These five transactions, with an aggregate value of \$18.2 billion, represented 28 percent of transaction value in the 1st 3 Quarters of 2013 and 59 percent of Q3 2013 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.

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

  
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