

SOFTWARE 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.
- Four of the industry's top ten highest value deals year-to-date occurred in the Infrastructure segment.
- There were 248 financially sponsored transactions in the 1st 3 Quarters of 2015 with an aggregate value of \$51.0 billion, representing 17 percent of the total volume and 52 percent of the total value, respectively.

Q3 2015 KEY TRENDS

- Total transaction volume in Q3 2015 underwent a slight uptick over Q2 2015, from 502 to 507.
- Total transaction value in Q3 2015 rose by 24 percent over Q2 2015, from \$33.8 billion to \$41.7 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2014 through the 1st 3 Quarters of 2015 decreased by 15 percent, from 2.7x to 2.3x.
- The median EBITDA multiple from 2014 through the 1st 3 Quarters of 2015 improved by ten percent, from 12.0x to 13.2x.

M&A Market Dynamics By Quarter

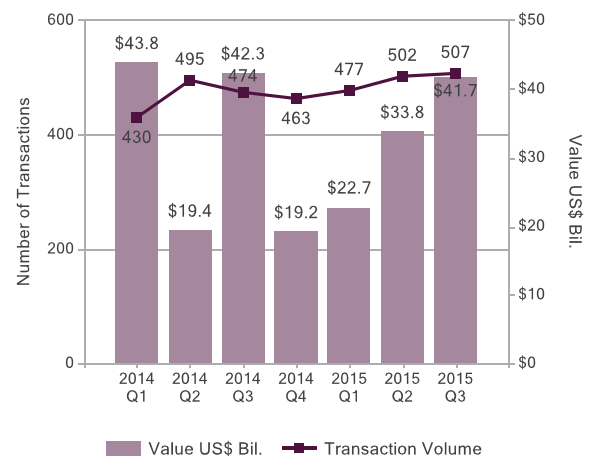


Figure 1. 2014-2015 value and volume comparison.

Median Enterprise Value Multiples

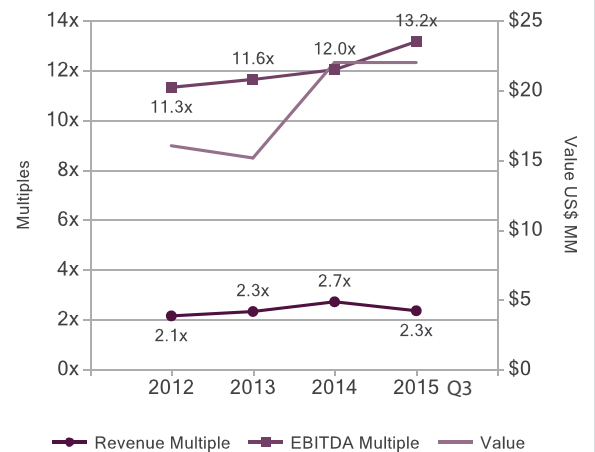


Figure 2. 2012-2015 median value, revenue, EBITDA comparison through Q3 2015.

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
06/15/15	Dealertrack Technologies	Cox Automotive, Inc.	\$4,361
08/14/15	Ellucian	TPG Capital, Leonard Green & Partners, L.P.	\$3,500
08/03/15	HERE	BMW Group, Audi Group, Mercedes-Benz	\$3,069
01/28/15	Advent Software, Inc.	SS&C Technologies, Inc.	\$2,630
03/10/15	Blue Coat Systems, Inc.	Bain Capital	\$2,400
04/20/15	Websense, Inc.	Raytheon Company	\$1,900
03/30/15	FundTech, Ltd.	Davis + Henderson Corporation	\$1,250

2015 Aggregate Transaction Value \$97,252

Top 10 Aggregate Transaction Value \$37,672

Top 10 Aggregate Value as a Percentage of All Transactions 39 %

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 four new additions since our half year report. Three of these four transactions were backed by financial sponsors. In addition to Veritas, this consisted of Vista Equity Partners' acquisition of Solera Holdings in the Finance vertical and TPG Capital and Leonard Green Capital Partners' acquisition of Ellucian in the Education vertical.

These four transactions, with an aggregate value of \$20.4 billion, represented 21 percent of transaction value in the 1st 3 Quarters of 2015 and 49 percent of Q3 2015 transaction value.

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