

SOFTWARE INDUSTRY

Q1 2018 :: Mergers and Acquisitions Trend Report

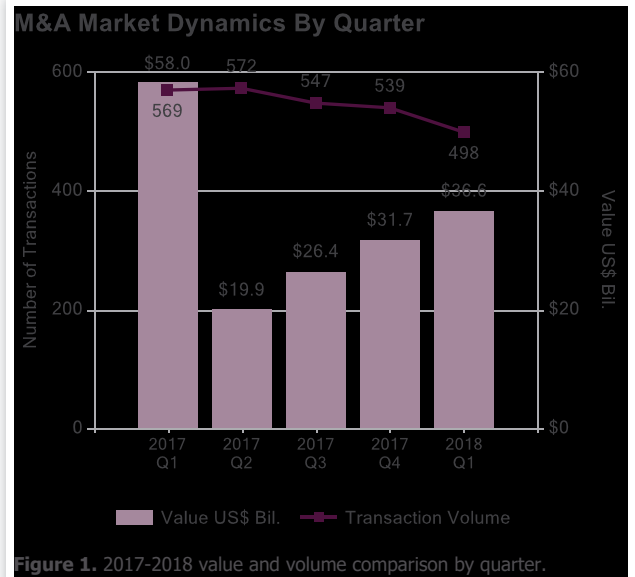
Software transaction volume declined eight percent over the past three months, from 539 to 498. Deal value gained 15 percent, from \$31.7 billion to \$36.6 billion. This was the industry's third consecutive quarterly increase in value.

Strategic acquirers completed nine of the top ten highest value software deals in Q1 2018. The industry's largest transaction year-to-date was Salesforce's announced acquisition of MuleSoft, which provides a platform for building application networks that connect enterprise apps, data, and devices, for \$6.5 billion. This was the largest acquisition ever completed by Salesforce.

Deal volume in the "Niche Software" segment, which is targeted to specific vertical markets, decreased 17 percent in Q1 2018. This followed a nine percent rise in Q4 2017. In terms of value, the Niche segment accounted for seven of the overall industry's top ten highest value deals year-to-date and was the best represented sector in the top ten list.

The Infrastructure segment experienced a 43 percent volume increase in Q1 2018, making it the sector with the largest rise in M&A activity over the past three months. The highest value transaction in the security sector during the quarter was LexisNexis Risk Solutions' announced acquisition of ThreatMetrix, which provides cloud-based fraud prevention solutions, for \$804 million.

The Business segment, which consists of software designed for general business practices and not specific industry markets, remained about constant on a quarterly basis. The Business segment's highest value deal in Q1 2018 was SAP America's announced acquisition of CallidusCloud, which offers cloud-based sales, marketing, learning, and customer experience solutions, for \$2.4 billion.



Top Ten Notable Transactions Q1 2018

Deal Date	Target Name	Buyer	Value MM US\$
03/20/18	MuleSoft	Salesforce.com, Inc.	\$5,939
01/11/18	DST Systems, Inc.	SS&C Technologies, Inc.	\$5,637
01/29/18	CallidusCloud	SAP America, Inc.	\$2,426
02/15/18	Flatiron Health	Roche Ltd	\$1,900
02/21/18	Fidessa group plc	Temenos Group AG	\$1,863
03/07/18	Ability Network, Inc.	Inovalon, Inc.	\$1,200
03/06/18	CommerceHub	GTCR, LLC, Sycamore Partners	\$989
01/29/18	ThreatMetrix, Inc.	LexisNexis Risk Solutions	\$804
03/07/18	Kensho	S&P Global	\$550
02/02/18	e-Builder	Trimble	\$500
2018 Aggregate Transaction Value			\$36,571
Top 10 Aggregate Transaction Value			\$21,808
Top 10 Aggregate Value as a Percentage of All Transactions			60 %

Figure 2. Lists the top ten transactions for Q1 2018 and calculates their value as a percentage of the aggregate transaction value as shown in Figure 1.

Note: Transaction data based on **announced date**. Deal value represents total consideration paid by the acquirer.

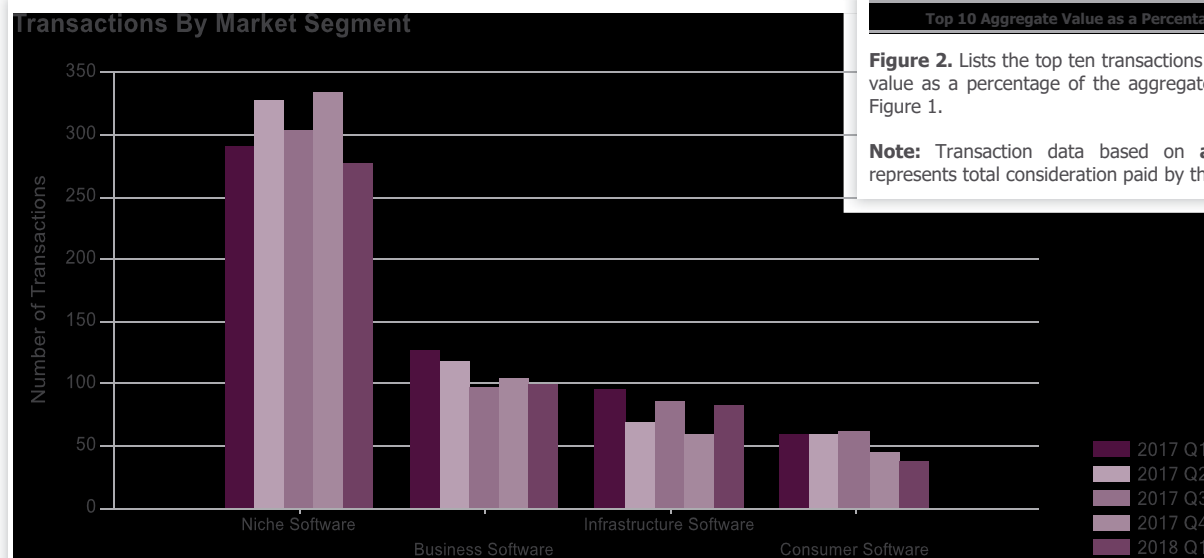


Figure 3. Presents transaction volume by target segment within the Software Industry from January 1, 2017 through March 31, 2018.

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HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



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INVESTMENT FROM



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