

ONLINE & MOBILE INDUSTRY

Q1 2018 :: Mergers and Acquisitions Trend Report

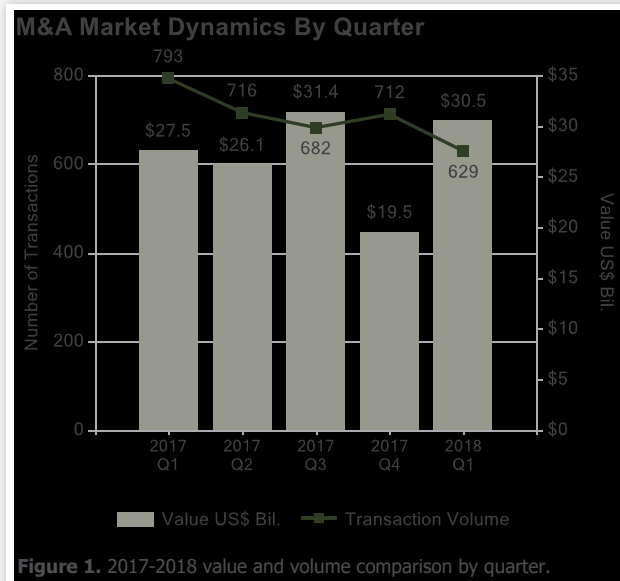
Online & Mobile transaction volume declined 12 percent over the past three months, from 712 to 629. Deal value rose 56 percent, from \$19.5 billion to \$30.5 billion. Volume throughout the past five quarters reached its peak in Q1 2017, whereas value reached its zenith in Q3 2017. Strategic acquirers completed nine of the industry's top ten highest value deals during the past quarter.

The E-Content segment experienced a 33 percent increase in Q1 2018, which marked a return to its Q3 2017 level. This made it the sector with the largest quarterly rise in M&A activity. Apple was a notable segment acquirer with the announced acquisition of Texture, a digital magazine platform that is sometimes referred to as the "Netflix of Magazines."

The number of transactions in the mobile application sector decreased 12 percent on a quarter-to-quarter basis, from 92 to 81. Fashion retailer Nordstrom was a notable related acquirer with the acquisitions of BevyUp, which offers a mobile clienteling app that is used by sales associates to provide customers with a personalized, omnichannel experience; and MessageYes, a platform for e-commerce through mobile messaging.

Deal activity in the E-Commerce segment, after rising 22 percent in Q4 2017, fell 27 percent in Q1 2018. The segment's largest transaction year-to-date was GTCR and Sycamore Partners' announced acquisition of CommerceHub, a technology company that helps retailers manage e-commerce inventory, for \$989 million.

As for other select industry markets, SaaS & Cloud volume decreased 17 percent in Q1 2018. This followed a six percent gain in Q4 2017. Meanwhile, E-Marketing & Search volume declined 19 percent in Q1 2018. This occurred after a 14 percent increase in Q4 2017.



Top Ten Notable Transactions Q1 2018

| Deal Date | Target Name | Buyer | Value MM US\$ |
|--|--------------------------------|------------------------------|---------------|
| 03/20/18 | MuleSoft | Salesforce.com, Inc. | \$5,939 |
| 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 |
| 02/23/18 | Tantan Limited | Momo Inc. | \$763 |
| 02/02/18 | e-Builder | Trimble | \$500 |
| 01/02/18 | BondPoint from Virtu Financial | Intercontinental Exchange | \$400 |
| 2018 Aggregate Transaction Value | | | \$30,485 |
| Top 10 Aggregate Transaction Value | | | \$16,783 |
| Top 10 Aggregate Value as a Percentage of All Transactions | | | 55 % |

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.

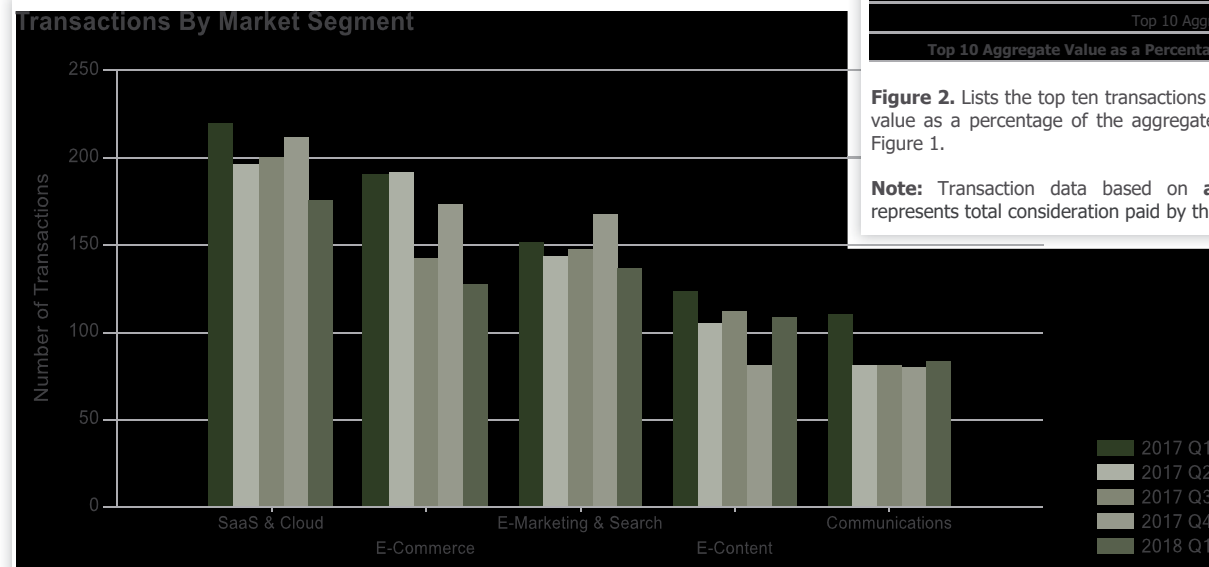


Figure 3. Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2017 through March 31, 2018.

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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. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

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