

ONLINE & MOBILE INDUSTRY

Q3 2018 :: Mergers and Acquisitions Trend Report

Q3 2018 KEY HIGHLIGHTS

- The largest transaction in Q3 2018 was Adobe's announced acquisition of Marketo, a cloud platform for B2B marketing engagement, for \$4.8 billion.
- There were 437 financially sponsored transactions in the 1st 3 Quarters of 2018 with an aggregate value of \$41.2 billion, representing 20 percent of the total volume and 27 percent of the total value, respectively.

Q3 2018 KEY TRENDS

- Total transaction volume in Q3 2018 increased by nine percent over Q2 2018, from 757 to 827.
- Total transaction value in Q3 2018 fell by 44 percent over Q2 2018, from \$80.2 to \$45 billion. However, overall value nearly tripled in Q2 2018. Aggregate value in Q2 2018 was driven by several major deals, such as Walmart's acquisition of Flipkart for \$16 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2017 through the 1st 3 Quarters of 2018 improved by 25 percent, from 2.0x to 2.5x.
- The median EBITDA multiple from 2017 through the 1st 3 Quarters of 2018 remained almost constant at 11.4x.

Top Ten Notable Transactions - 1st 3 Quarters 2018

Deal Date	Target Name	Buyer	Value MM US\$
05/09/18	Flipkart	Walmart	\$16,000
06/04/18	GitHub Inc.	Microsoft Corporation	\$7,500
03/20/18	MuleSoft	Salesforce.com, Inc.	\$5,939
04/01/18	Ele.me	Alibaba Group	\$5,415
09/20/18	Marketo, Inc	Adobe Systems Incorporated	\$4,750
04/04/18	Mobike	Meituan	\$3,400
05/11/18	ZPG Plc	SilverLake	\$3,338
09/24/18	Pandora Media, Inc.	Sirius XM Holdings Inc.	\$2,807
07/20/18	Charles River Systems, Inc.	State Street Corporation	\$2,600
01/29/18	CallidusCloud	SAP America, Inc.	\$2,426
2018 Aggregate Transaction Value			\$152,091
Top 10 Aggregate Transaction Value			\$54,176
Top 10 Aggregate Value as a Percentage of All Transactions			36 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2018 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on **announced date**.

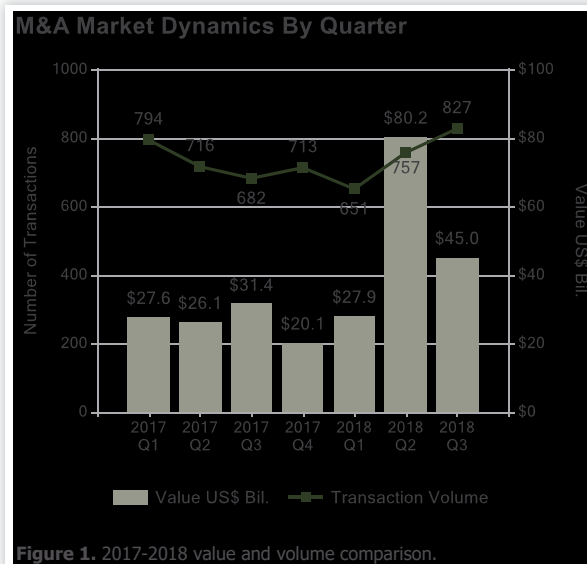


Figure 1. 2017-2018 value and volume comparison.

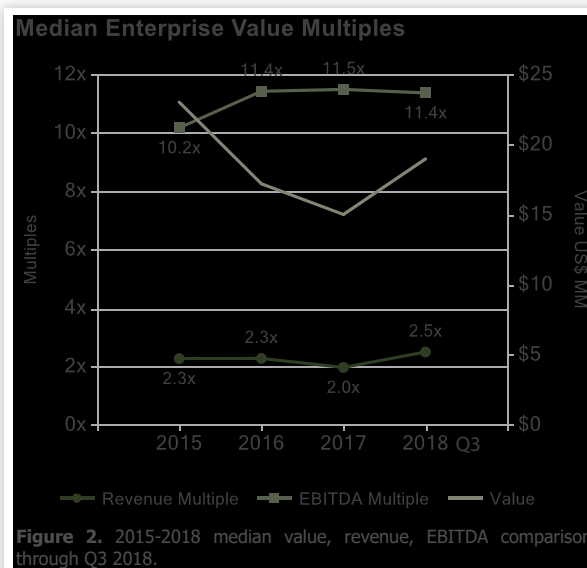


Figure 2. 2015-2018 median value, revenue, EBITDA comparison through Q3 2018.

TOP TEN DEALS THROUGH Q3 2018

The top ten deals by value have seen three new additions since our half year report, two of which were SaaS-based deals. In addition to the previously mentioned Marketo deal, State Street Corporation announced its acquisition of Charles River Systems, a provider of investment management front office tools and solutions, for \$2.6 billion.

These three transactions, with an aggregate value of \$10.2 billion, represented seven percent of transaction value in the 1st 3 Quarters of 2018 and 23 percent of Q3 2018 transaction value.

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