

INFORMATION INDUSTRY

Q3 2018 :: Mergers and Acquisitions Trend Report

Q3 2018 KEY HIGHLIGHTS

- Strategic acquisitions represented 80 percent of the industry's total volume and 72 percent of total value in Q3 2018, respectively.
- The highest value sponsored transaction in Q3 2018 was the announced acquisition of Dun & Bradstreet by an investment consortium that includes Thomas H. Lee Partners and CC Capital, for \$6.6 billion. Dun & Bradstreet provides commercial data, analytics, and insights for businesses.

Q3 2018 KEY TRENDS

- Total transaction volume in Q3 2018 declined by four percent over Q2 2018, from 1,147 to 1,194.
- As for the industry's horizontal markets on a year-over year basis, Online & Mobile volume rose by nine percent; Media & Marketing volume stayed about the same; and Software volume decreased by five percent.
- Total transaction value in Q3 2018 fell by 21 percent over Q2 2018, from \$110.8 billion to \$88 billion. This followed a 78 percent rise in the preceding quarter.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2017 through the 1st 3 Quarters of 2018 increased from 2.0x to 2.4x. The median EBITDA multiple during this timeframe moved upward slightly from 10.7x to 11.4x.

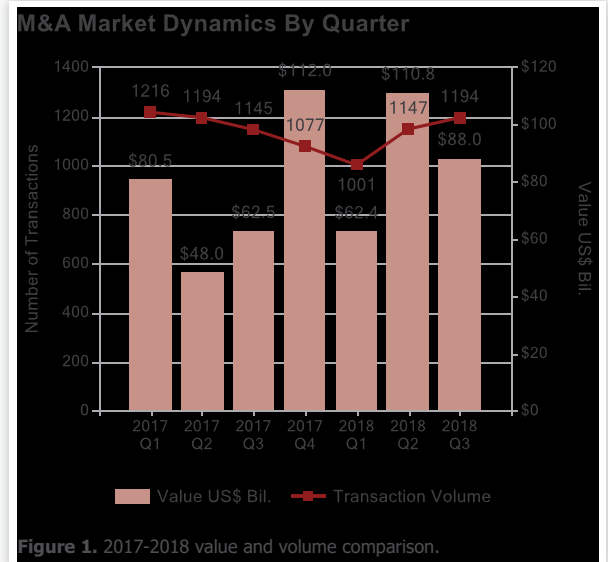


Figure 1. 2017-2018 value and volume comparison.

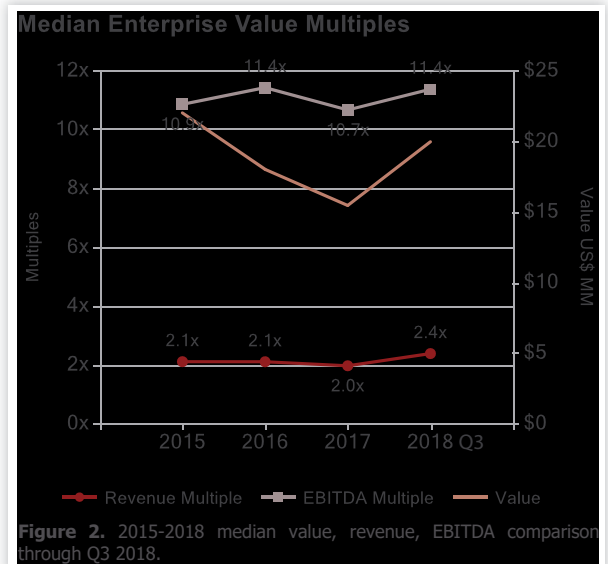


Figure 2. 2015-2018 median value, revenue, EBITDA comparison through Q3 2018.

Top Ten Notable Transactions - 1st 3 Quarters 2018

Deal Date	Target Name	Buyer	Value MM US\$
07/11/18	CA Technologies, Inc.	Broadcom Limited	\$18,383
05/09/18	Flipkart	Walmart	\$16,000
01/31/18	Thomson Reuters Financial & Risk	Blackstone Group LP	\$11,000
05/29/18	BMC Software, Inc.	Kohlberg Kravis Roberts & Co.	\$8,500
06/04/18	GitHub Inc.	Microsoft Corporation	\$7,500
08/08/18	Dun & Bradstreet	Thomas H. Lee Partners, L.P., Cannae Holdings, CC Capital	\$6,655
01/30/18	United Business Media Limited	Informa plc	\$6,168
03/20/18	MuleSoft	Salesforce.com, Inc.	\$5,939
01/11/18	DST Systems, Inc.	SS&C Technologies, Inc.	\$5,637
04/01/18	Ele.me	Alibaba Group	\$5,415
2018 Aggregate Transaction Value			\$260,296
Top 10 Aggregate Transaction Value			\$91,198
Top 10 Aggregate Value as a Percentage of All Transactions			35 %

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.

TOP TEN DEALS THROUGH Q3 2018

The top ten deals by value have seen two new additions since our half year report, including one in the Software horizontal: Broadcom's announced acquisition of CA Technologies, a provider of information technology (IT) management software and solutions, for \$18.4 billion.

These two transactions, with an aggregate value of \$25 billion, represented ten percent of transaction value in the 1st 3 Quarters of 2018 and 28 percent of Q3 2018 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. 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.

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