

INFORMATION INDUSTRY :: *The Production and Provision of Content*

Q1 2019 :: Mergers and Acquisitions Trend Report

Transaction volume saw a three percent gain over the past three months, from 1,084 to 1,121. After rising 33 percent in Q4 2018, overall value fell 49 percent, from \$118.2 billion to \$60.1 billion. Volume improved 12 percent while value remained about constant when examined on a year-over-year basis. In addition, M&A activity throughout the past five quarters reached its peak in Q3 2018 whereas value reached its zenith in Q4 2018.

Two of the Information Industry's top three largest deals in Q1 2019 were completed by financial sponsors. These two deals, with a combined value of \$14.1 billion, represented almost one-quarter of the industry's aggregate value year-to-date.

The median revenue multiple during the past quarter stayed the same at 2.8x, while the median EBITDA multiple declined from 13.0x to 10.5x. Disclosed median enterprise value multiples throughout the last five quarters were 2.5x revenue and 11.8x EBITDA.

Each of the Information Industry's three broad-based horizontal markets experienced a slight uptick in volume on a quarterly basis. In terms of the Online & Mobile horizontal, the E-Content segment increased 25 percent, making it the sector with the largest Online & Mobile rise in volume.

Regarding the Software horizontal, deal activity in the Infrastructure segment underwent a 22 percent increase, which was the Software sector's largest gain. The highest value security related transaction in Q1 2019 was Carbonite's acquisition of Webroot, which secures endpoints and provides network protection, security awareness training, and threat intelligence services, for \$619 million.

As for the Media & Marketing horizontal, deal flow in the Internet Media segment rose 13 percent, which was the most improved Media & Marketing sector in Q1 2019.

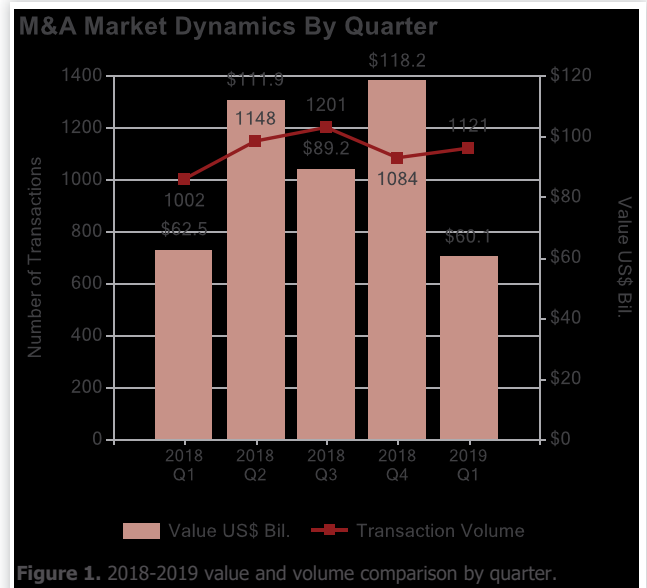


Figure 1. 2018-2019 value and volume comparison by quarter.

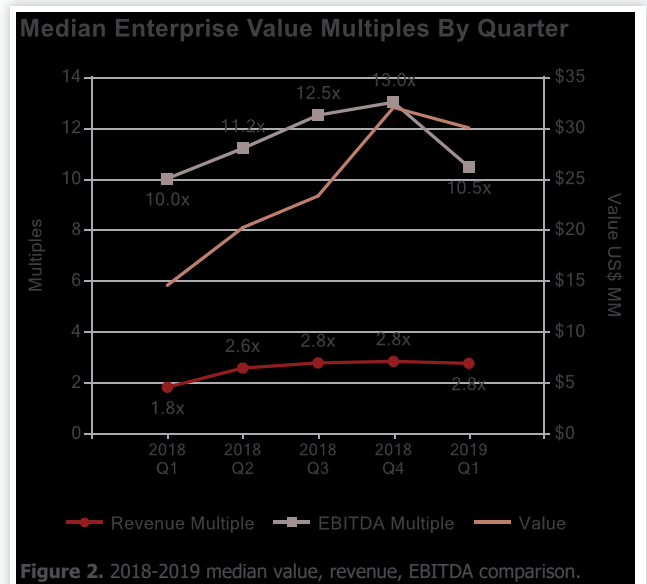


Figure 2. 2018-2019 median value, revenue, EBITDA comparison.

Top Ten Notable Transactions Q1 2019

Deal Date	Target Name	Buyer	Value MM US\$
02/04/19	Ultimate Software Group	Blackstone Group LP, Hellman & Friedman LLC, GIC, JMI Equity, CPP Investment Board	\$10,821
02/12/19	Ellie Mae, Inc.	Thoma Bravo, LLC	\$3,306
03/26/19	Careem	Uber Technologies, Inc.	\$3,100
03/06/19	Bigo Technology Pte LTD	YY Inc.	\$1,453
03/22/19	eFront	BlackRock, Inc.	\$1,300
03/31/19	TRANZACT	Willis Towers Watson	\$1,200
01/22/19	TomTom Telematics	Bridgestone Europe NV/SA	\$1,040
01/14/19	QuickBase	Vista Equity Partners	\$1,000
02/11/19	Solium Capital Inc.	Morgan Stanley	\$744
03/20/19	11 Local Television Stations from Nexstar Media Group	TEGNA Inc.	\$740
2019 Aggregate Transaction Value			\$60,142
Top 10 Aggregate Transaction Value			\$24,703
Top 10 Aggregate Value as a Percentage of All Transactions			41 %

Figure 3. Lists the top ten transactions for Q1 2019 and calculates their value as a percentage of the aggregate transaction value as shown in Figure 1.

Note: Transaction data based on announced date.

Coverage Overview

The Information report features acquisitions in the horizontal Media & Marketing, Software, and Online & Mobile Industries.

It covers vertical markets including, but not limited to, the following segments: Business & Compliance; Construction & Real Estate; Distribution, Retail & Wholesale; Education; Energy; Financial Services & Accounting; Health & Pharmaceuticals; Law & Government; Lifestyle & Entertainment; Manufacturing; Marketing & Advertising; News Media; Science & Technology; Transportation; and Travel & Hospitality.

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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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