

## INFORMATION INDUSTRY

*The Production and Provision of Content*

### 1ST HALF 2019 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2019 KEY HIGHLIGHTS

- Six of the Information Industry's top ten highest value deals in 1st Half 2019 were completed by strategic acquirers. These six acquisitions combined accounted for almost one-third of the industry's aggregate value year-to-date.
- There were 523 financially sponsored transactions with an aggregate value of \$54.71 billion, representing 22 percent of the total volume and 37 percent of the total value, respectively.

#### 1ST HALF 2019 KEY TRENDS

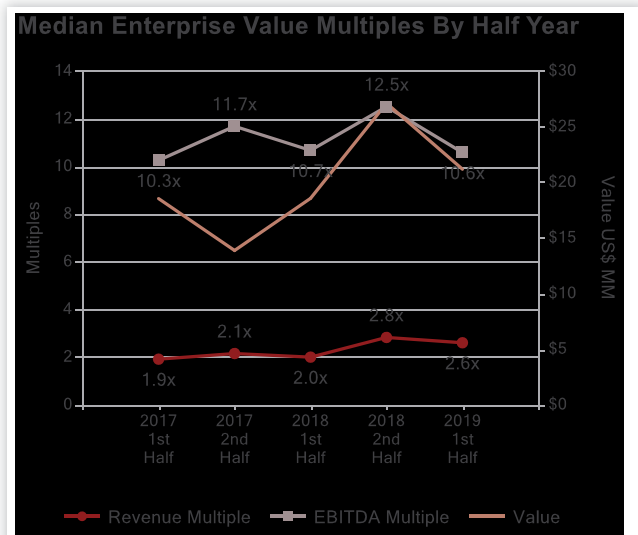
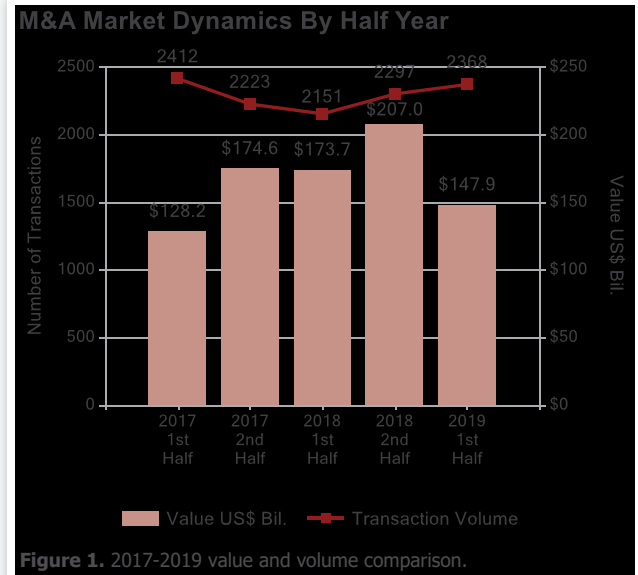
- Total transaction volume in 1st Half 2019 increased by three percent over 2nd Half 2018, from 2,297 to 2,368.
- As for the industry's three horizontal markets, Software volume improved by nine percent; Online & Mobile deal volume remained nearly constant; and Media & Marketing volume declined by three percent.
- Total transaction value in 1st Half 2019 fell by 29 percent over 2nd Half 2018, from \$207.04 billion to \$147.86 billion.
- The median revenue multiple decreased from 2.8x in 2nd Half 2018 to 2.6x in 1st Half 2019. The median EBITDA multiple moved downward from 12.5x in 2nd Half 2018 to 10.6x in 1st Half 2019.

#### M&A MARKET OVERVIEW

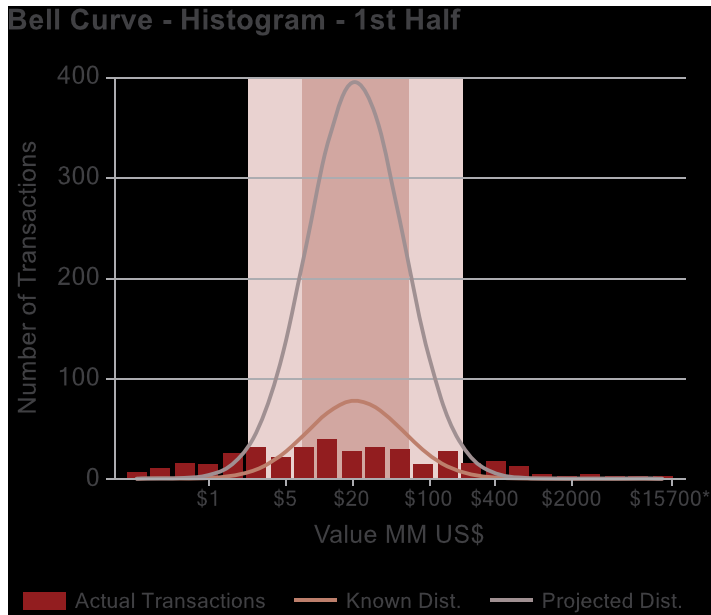
Berkery Noyes tracked 11,451 Information Industry transactions between 2017 and 1st Half 2019, of which 2,248 disclosed financial terms, and calculated the aggregate transaction value to be \$651.27 billion. Based on known transaction values, we project values of 9,203 undisclosed transactions to be \$174.49 billion, totaling \$825.76 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 2.3x revenue and 11.5x EBITDA.

Out of 11,451 transactions tracked by Berkery Noyes in this report, we found that 2,299 financially sponsored transactions accounted for 20 percent of the total transactions, yet they totaled \$264.24 billion, representing 32 percent of aggregate transaction value.



# Transaction Analysis :: January 1, 2019 – June 30, 2019



**Figure 3.** Shows the distribution of Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2019 at \$147.9 billion.

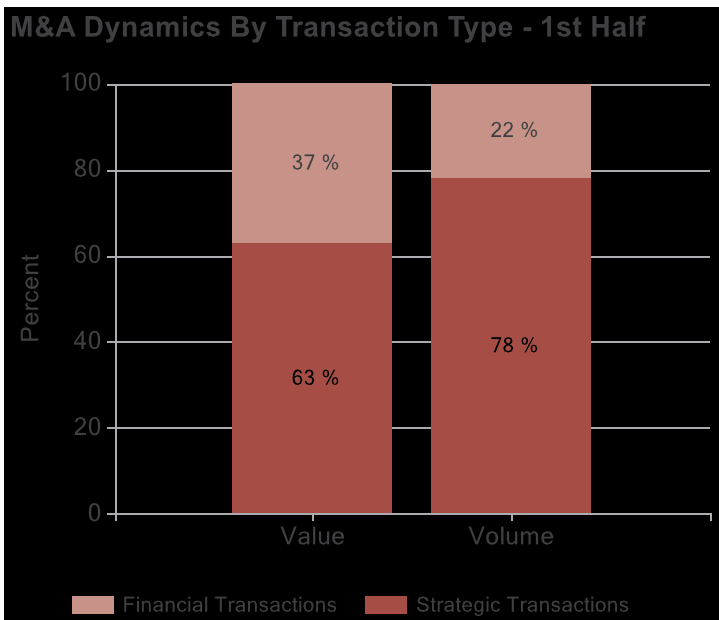
\* Indicates largest transaction in the industry from Jan. 1, 2019 to June 30, 2019.

**Distribution Table**

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	6	0	6	2 %	2 %
\$0.4	10	0	10	3 %	4 %
\$0.6	16	1	16	4 %	8 %
\$1.0	14	3	17	4 %	12 %
\$1.6	26	14	40	7 %	19 %
\$2.7	32	46	77	8 %	27 %
\$4.5	21	114	134	5 %	32 %
\$7.4	32	221	252	8 %	40 %
\$12.2	39	334	372	10 %	50 %
\$20.1	28	394	421	7 %	58 %
\$33.1	31	361	392	8 %	66 %
\$54.6	30	258	288	8 %	73 %
\$90.0	14	144	157	4 %	77 %
\$148.4	28	62	90	7 %	84 %
\$244.7	15	21	36	4 %	88 %
\$403.4	18	6	23	5 %	93 %
\$665.1	11	1	12	3 %	95 %
\$1,096.6	5	0	5	1 %	97 %
\$1,808.0	2	0	2	1 %	97 %
\$2,981.0	4	0	4	1 %	98 %
\$4,914.8	1	0	1	0 %	98 %
\$8,103.1	2	0	2	1 %	99 %
\$13,359.7	1	0	1	0 %	99 %
Total #	389	1979	2368		
Total \$ Value	\$104,860	\$43,000	\$147,860		
Middle 3rd of Industry		Middle 2/3rds of Industry			

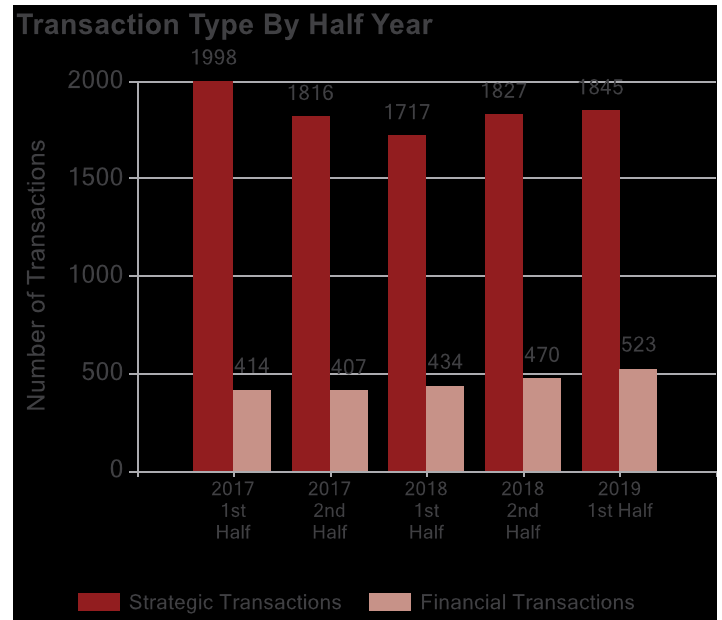
**Figure 4.** Presents the data depicted in the bell curve histogram.

## Strategic vs. Financial Comparison



**Figure 5.** 1st Half 2019 value and volume comparison by transaction type.

**Note:** Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.



**Figure 6.** 2017-2019 acquirer type comparison by half year.

## Purchaser Analysis

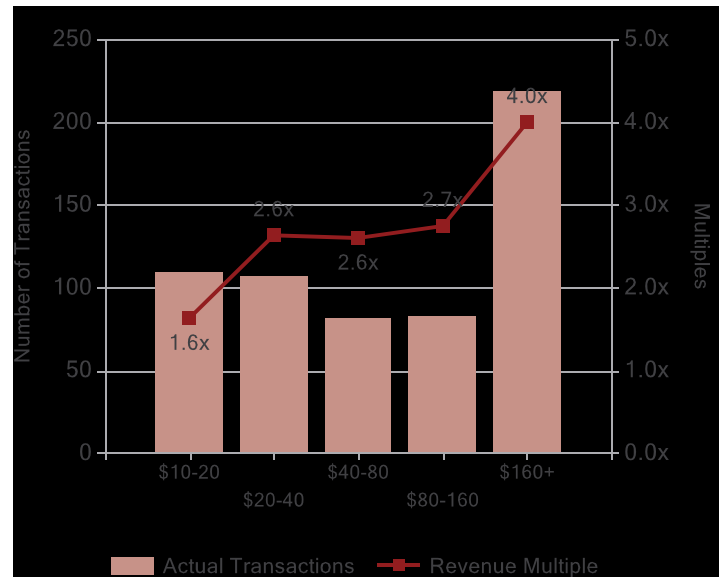
### Top Ten Notable Transactions - 1st Half 2019

Deal Date	Target Name	Buyer	Value MM US\$
06/10/19	Tableau Software	Salesforce.com, Inc.	\$15,700
02/04/19	Ultimate Software Group	Blackstone Group LP, Hellman & Friedman LLC, GIC, JMI Equity, CPP Investment Board	\$10,821
05/03/19	21 Regional Sports Channels from Fox Sports Networks	Sinclair Broadcast Group	\$10,600
06/12/19	Medidata	Dassault Systemes	\$5,822
04/14/19	Epsilon	Publicis Groupe SA	\$4,400
02/12/19	Ellie Mae, Inc.	Thoma Bravo, LLC	\$3,306
03/26/19	Careem	Uber Technologies, Inc.	\$3,100
06/10/19	Shutterfly, Inc.	Apollo Global Management	\$2,737
06/06/19	Looker	Google	\$2,600
06/11/19	Press Ganey Associates, Inc.	Leonard Green & Partners, L.P., Ares Management, L.P.	N/A
2019 Aggregate Transaction Value			\$147,860
Top 9 Aggregate Transaction Value			\$59,087
Top 9 Aggregate Value as a Percentage of All Transactions			40 %

**Figure 7.** Lists the top ten transactions for 1st Half 2019 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

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

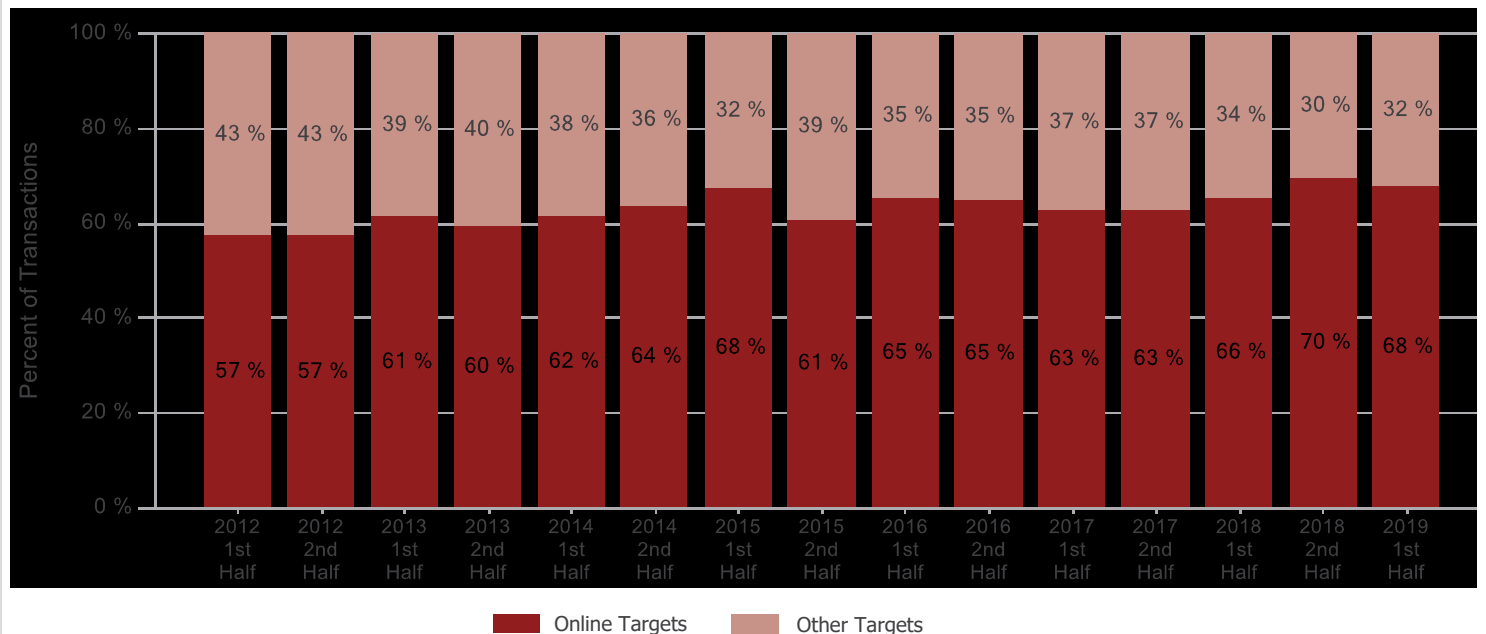
### Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from January 1, 2017 to June 30, 2019 based on publicly available sales price and revenue data.

## Transactions Involving an Online Component

### Transaction Percentages of Online Targets



**Figure 9.** Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by half year from January 1, 2012 through June 30, 2019.

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