

## SOFTWARE INDUSTRY

### Q3 2019 :: Mergers and Acquisitions Trend Report

#### Q3 2019 KEY HIGHLIGHTS

- The industry's largest transaction in Q3 2019 was Broadcom's announced acquisition of Symantec's enterprise security business for \$10.7 billion. Of note, Broadcom completed another major industry deal in 2018 with the acquisition of CA Technologies, an IT management software and solutions company, for \$18.4 billion.
- There were 501 financially sponsored transactions in the 1st 3 Quarters of 2019 with an aggregate value of \$61.2 billion, representing 27 percent of the total volume and 46 percent of the total value, respectively.

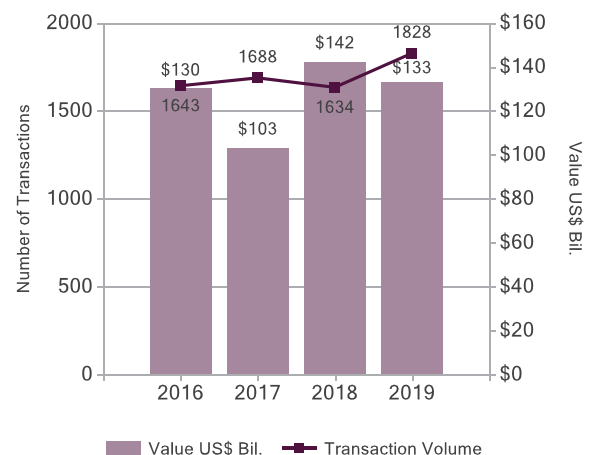
#### Q3 2019 KEY TRENDS

- Total transaction volume in the 1st 3 Quarters of 2019 increased by 12 percent over the 1st 3 Quarters of 2018, from 1,634 to 1,828.
- Total transaction value in the 1st 3 Quarters of 2019 declined by six percent over the 1st 3 Quarters of 2018, from \$142.3 billion to \$133.1 billion. This followed a 38 percent gain in the 1st 3 Quarters of 2018 over the 1st 3 Quarters of 2017.

#### MULTIPLES & VALUE TRENDS

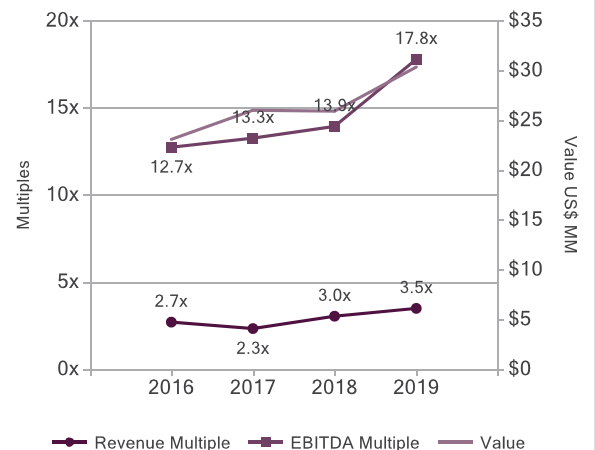
- The median revenue multiple on a year-over-year basis rose from 3.0x to 3.5x. The median EBITDA multiple improved from 13.9x to 17.8x during this timeframe.

#### M&A Market Dynamics



**Figure 1.** 1st 3 Quarters value and volume comparison from 2016 to 2019.

#### Median Enterprise Value Multiples



**Figure 2.** 1st 3 Quarters median value, revenue, and EBITDA comparison from 2016 to 2019.

#### Top Ten Notable Transactions - 1st 3 Quarters 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
08/08/19	Enterprise Security Business from Symantec Corporation	Broadcom Limited	\$10,700
06/12/19	Medidata	Dassault Systemes	\$5,822
02/12/19	Ellie Mae, Inc.	Thoma Bravo, LLC	\$3,306
07/29/19	Waystar	EQT AB, CPP Investment Board	\$2,700
06/06/19	Looker	Google	\$2,600
08/23/19	Carbon Black, Inc.	VMware, Inc.	\$1,906
08/08/19	iPipeline, Inc.	Roper Technologies, Inc.	\$1,625
03/06/19	Bigo Technology Pte LTD	YY Inc.	\$1,453
2019 Aggregate Transaction Value			\$133,061
Top 10 Aggregate Transaction Value			\$56,633
Top 10 Aggregate Value as a Percentage of All Transactions			43 %

**Figure 3.** Lists the top ten transactions for the 1st 3 Quarters of 2019 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value. Transaction data based on announced date.

#### TOP TEN DEALS THROUGH Q3 2019

The top ten deals by value have seen four new additions since our half year report, including two that occurred in the security sector. In addition to the previously mentioned Symantec deal, VMware announced its acquisition of Carbon Black, a cloud-native endpoint protection company, for \$1.9 billion.

These four transactions, with an aggregate value of \$16.9 billion, represented 13 percent of transaction value in the 1st 3 Quarters of 2019 and 45 percent of Q3 2019 transaction value.

# BERKERY NOYES

INVESTMENT BANKERS

Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 500 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, and education markets.

Berkery Noyes Securities LLC assists middle market companies with raising growth capital in the debt and equity markets.

**CONTACT US TODAY FOR A CONFIDENTIAL DISCUSSION OF YOUR STRATEGIC OPTIONS**

## MANAGING DIRECTORS

**VINEET ASTHANA**

*Media and Technology Group*

**RAJAT BANGAR**

*Education Group*

**BRIAN DECICCO**

*Media Group*

**MICHAEL GOETTEMOELLER**

*IT Services, Security & Automation, and Logistics & Supply Chain Group*

**JOHN GUZZO**

*Financial Technology Group*

**JONATHAN KRIEGER**

*Healthcare Group*

**MARTIN MAGIDA**

*Corporate Finance Group*

**THOMAS O'CONNOR**

*Healthcare Group*

**PETER OGNIBENE**

*Financial Technology Group*

**JEFFREY SMITH**

*Healthcare Group*

**JASON WHITE**

*Consumer Group*

**MARY JO ZANDY**

*Education, Media, and Generalist Groups*

## PARTNERS

**JOSEPH BERKERY**

*Chief Executive Officer*

**JAMES BERKERY**

*Managing Partner*



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](http://www.mandasoft.com)

©2019 Berkery Noyes

## RECENT SOFTWARE TRANSACTIONS



HAS BEEN ACQUIRED BY



HAS RECEIVED AN INVESTMENT FROM



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS MADE AN INVESTMENT IN



HAS BEEN ACQUIRED BY



A SUBSIDIARY OF  
**RELX Group**



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS BEEN RECAPITALIZED BY



HAS RECEIVED AN INVESTMENT FROM



245 Park Avenue | New York, New York 10167

[berkerynoyes.com](http://berkerynoyes.com) | 212.668.3022