

SOFTWARE INDUSTRY

Q1 2020 :: Mergers and Acquisitions Trend Report

Software transaction volume saw a one percent uptick over the past three months, from 570 to 576. Aggregate value declined eight percent, from \$41.9 billion to \$38.7 billion, returning to its Q3 2019 level.

The Infrastructure segment experienced a 14 percent volume increase on a quarterly basis, making it the highest growth sector in Q1 2020. In terms of value, three of the industry's top five largest deals year-to-date occurred in the segment. Along these lines were Insight Venture Partners' acquisition of Veeam Software, a cloud-focused backup and disaster recovery services provider, for \$5 billion; a Symphony Technology Group led consortium's announced acquisition of Dell Technologies' RSA Security business for \$2.1 billion; and Advent International and Crosspoint Capital Partners' announced acquisition of ForeScout Technologies, which develops device visibility, control, and cybersecurity solutions, for \$1.7 billion.

Deal volume in the "Niche Software" segment, which is targeted to specific vertical markets, improved two percent over Q4 2019. This was the sector's third consecutive quarterly rise in deal flow. Three of the industry's top ten largest transactions took place in the segment, including two in the Finance vertical: Visa's announced acquisition of Plaid Technologies, which develops and creates API's for banking data, for \$5.3 billion; and True Wind Capital's announced acquisition of Open Lending, which delivers lending enablement and risk analytics solutions to financial institutions, for \$1.3 billion.

M&A activity in the Business segment, which consists of software designed for general business practices and not specific industry markets, decreased six percent from Q4 2019 to Q1 2020. The segment's largest deal year-to-date was Cornerstone OnDemand's announced acquisition of Saba Software, which provides cloud-based intelligent talent management solutions, for \$1.4 billion. Regarding the Consumer segment, the number of deals remained about constant for the fourth consecutive quarter.

M&A Market Dynamics By Quarter

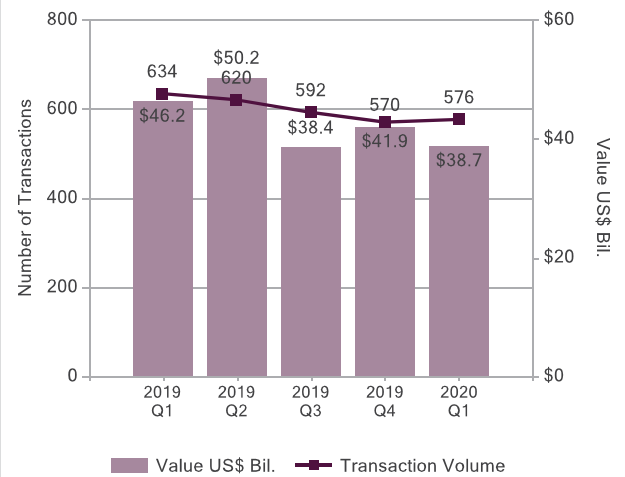


Figure 1. 2019-2020 value and volume comparison by quarter.

Top Ten Notable Transactions Q1 2020

Deal Date	Target Name	Buyer	Value MM US\$
01/13/20	Plaid Technologies, Inc.	Visa, Inc.	\$5,300
01/10/20	Veeam Software	Insight Venture Partners	\$5,000
02/18/20	RSA Security	Symphony Technology Group, AlpInvest Partners N.V., Ontario Teachers' Pension Plan	\$2,075
02/06/20	ForeScout Technologies	Advent International, Crosspoint Capital Partners	\$1,717
02/25/20	Saba Software, Inc.	Cornerstone OnDemand, Inc.	\$1,395
02/26/20	Vlocity	Salesforce.com, Inc.	\$1,330
01/08/20	Open Lending, Inc.	True Wind Capital	\$1,300
01/08/20	Armis, Inc.	Insight Venture Partners	\$1,100
01/13/20	InTouch Health	TelaDoc, Inc.	\$600
03/31/20	CloudGenix	Palo Alto Networks	\$420

2020 Aggregate Transaction Value	\$38,679
Top 10 Aggregate Transaction Value	\$20,237
Top 10 Aggregate Value as a Percentage of All Transactions	52 %

Figure 2. Lists the top ten transactions for Q1 2020 and calculates their value as a percentage of the aggregate transaction value as shown in Figure 1. **Note:** Transaction data based on **announced date**. Deal value represents total consideration paid by the acquirer.

Transactions By Market Segment

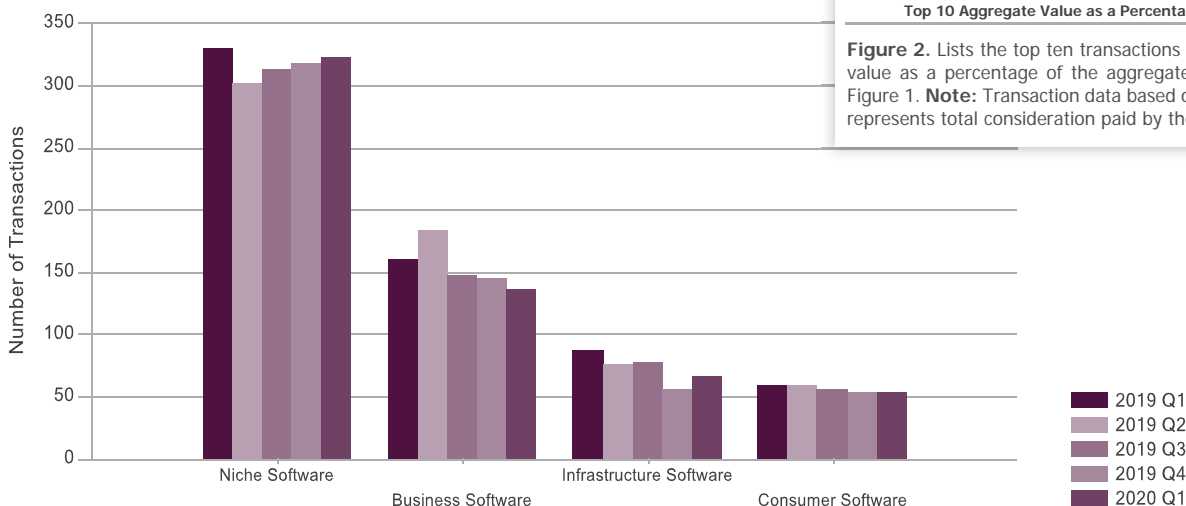


Figure 3. Presents transaction volume by target segment within the Software Industry from January 1, 2019 through March 31, 2020.

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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.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

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RECENT SOFTWARE TRANSACTIONS

UNSILO

HAS BEEN ACQUIRED BY

CACTUS

PHAROS
by WHEREOWARE

HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF

Blackstone

apdata

HAS BEEN ACQUIRED BY

VOLARIS

A SUBSIDIARY OF



ARMCO
ACES RISK MANAGEMENT

HAS RECEIVED AN INVESTMENT FROM

New Capital Partners

MEDIMIX International

HAS BEEN ACQUIRED BY

Evidera | PPD

A PORTFOLIO COMPANY OF

THE CARLYLE GROUP | **HELLMAN & FRIEDMAN**

OpenConnect

HAS BEEN ACQUIRED BY

ACTIVEOPS

ARMCO
ACES RISK MANAGEMENT

HAS RECEIVED AN INVESTMENT FROM

New Capital Partners

MEDIMIX International

HAS BEEN ACQUIRED BY

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