

INFORMATION INDUSTRY :: The Production and Provision of Content

Q1 2020 :: Mergers and Acquisitions Trend Report

Transaction volume remained about constant over the past three months, from 1,046 to 1,052. Overall value fell 38 percent, from \$120.7 billion to \$74.5 billion. Volume declined 12 percent while value gained 23 percent when examined on a year-over-year basis. M&A activity throughout the last five quarters reached its peak in Q1 2019 whereas value reached its zenith in Q3 2019.

Five of the Information Industry's top three largest deals in Q1 2020 were completed by financial sponsors. These five deals, with a combined value of \$11.2 billion, accounted for 15 percent of the industry's aggregate value year-to-date.

The median revenue multiple during the past quarter shifted from 2.9x to 2.7x, while the median EBITDA multiple moved upward from 12.0x to 12.5x. Disclosed median enterprise value multiples throughout the last five quarters were 2.6x revenue and 12.4x EBITDA.

Volume in each of the Information Industry's three broad-based horizontal markets stayed nearly the same on a quarterly basis. In terms of the Online & Mobile horizontal, the number of deals in the mobile application subsector increased five percent.

Regarding the Software horizontal, deal activity in the Infrastructure segment underwent a 14 percent gain. The segment's highest value transaction in Q1 2020 was Insight Venture Partners' acquisition of Veeam Software, a cloud-focused backup and disaster recovery services provider, for \$5 billion.

As for the Media & Marketing horizontal, deal flow in the Marketing segment also rose 14 percent. The segment's largest transaction in Q1 2020 was private equity firm Clayton Dubilier & Rice's announced acquisition of Huntsworth PLC, a healthcare communications and public relations company, for \$665 million.

M&A Market Dynamics By Quarter

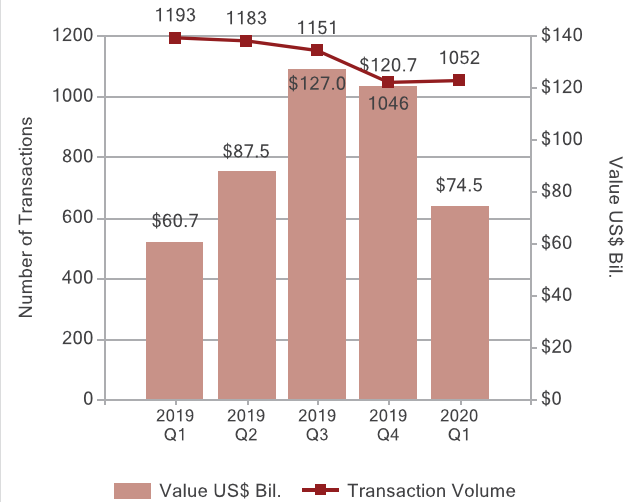


Figure 1. 2019-2020 value and volume comparison by quarter.

Median Enterprise Value Multiples By Quarter

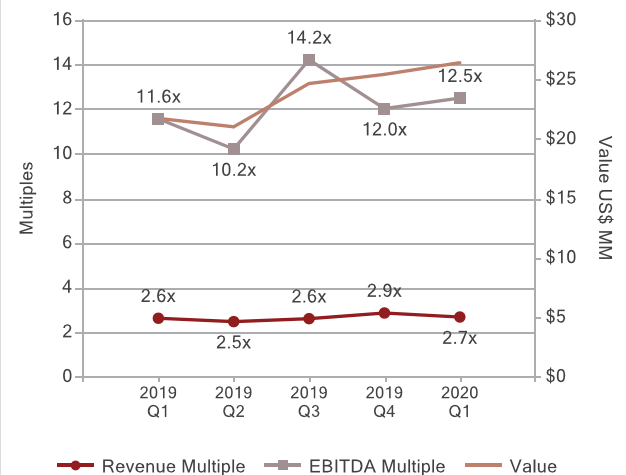


Figure 2. 2019-2020 median value, revenue, EBITDA comparison.

Top Ten Notable Transactions Q1 2020

Deal Date	Target Name	Buyer	Value MM US\$
02/20/20	E-Trade Financial Corp.	Morgan Stanley	\$13,132
02/25/20	Credit Karma	Intuit, Inc.	\$7,100
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, AlInvest 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
2020 Aggregate Transaction Value			\$74,475
Top 10 Aggregate Transaction Value			\$39,448
Top 10 Aggregate Value as a Percentage of All Transactions			53 %

Figure 3. 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.

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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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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AND



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