



## ONLINE & MOBILE INDUSTRY

### 1ST HALF 2020 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2020 KEY HIGHLIGHTS

- Three of the industry’s top five largest deals in 1st Half 2020 occurred in the finance vertical: Morgan Stanley’s announced acquisition of E-Trade, an online brokerage company, for \$13.13 billion; Intuit’s announced acquisition of Credit Karma, a personal finance company that offers free credit reports, scores, and insights, for \$7.1 billion; and Visa’s announced acquisition of Plaid Technologies, which develops and creates API’s for banking data, for \$5.3 billion.
- There were 274 financially sponsored transactions with an aggregate value of \$17.29 billion, representing 20 percent of the total volume and 22 percent of the total value, respectively.

#### 1ST HALF 2020 KEY TRENDS

- Total transaction volume in 1st Half 2020 decreased seven percent over 2nd Half 2019, from 1,483 to 1,382.
- Total transaction value in 1st Half 2020 fell by 48 percent over 2nd Half 2019, from \$149.78 billion to \$78.57 billion. However, value stayed relatively constant compared to 1st Half 2019.
- The median revenue multiple shifted declined from 2.8x in 2nd Half 2019 to 2.2x in 1st Half 2020. The median EBITDA multiple moved downward from 15.3x in 2nd Half 2019 to 12.5x in 1st Half 2020.

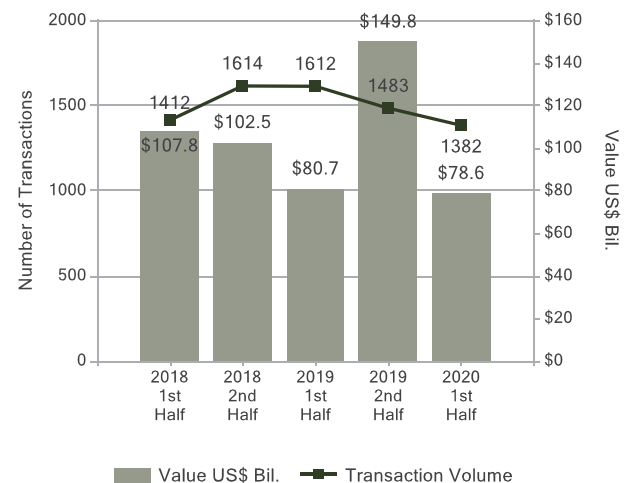
#### M&A MARKET OVERVIEW

Berkery Noyes tracked 7,503 Online & Mobile transactions between 2018 and 1st Half 2020, of which 1,320 disclosed financial terms, and calculated the aggregate transaction value to be \$390.46 billion. Based on known transaction values, we project values of 6,183 undisclosed transactions to be \$128.54 billion, totaling \$519 billion worth of transactions tracked over the past two and a half years.

Transactions from 1st Half 2018 to 1st Half 2020 with enterprise values above \$160 million received a median revenue multiple of 4.5x, whereas those in the \$20-160 million range garnered a median revenue multiple of 2.9x and those in the \$10-\$20 million range had a median revenue multiple of 1.7x.

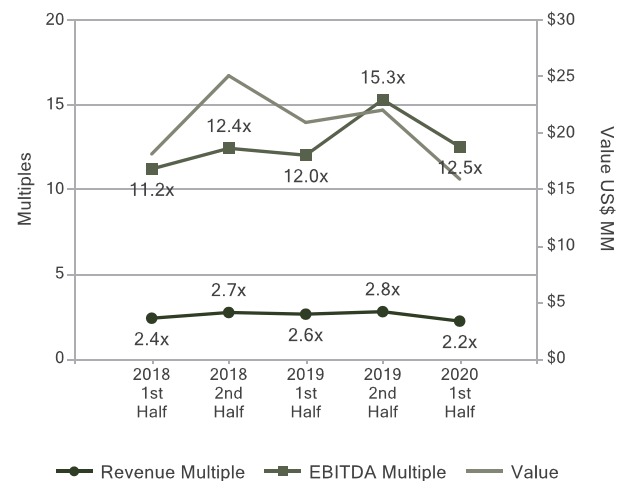
Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 2.5x revenue and 12.6x EBITDA.

**M&A Market Dynamics By Half Year**



**Figure 1.** 2018-2020 value and volume comparison.

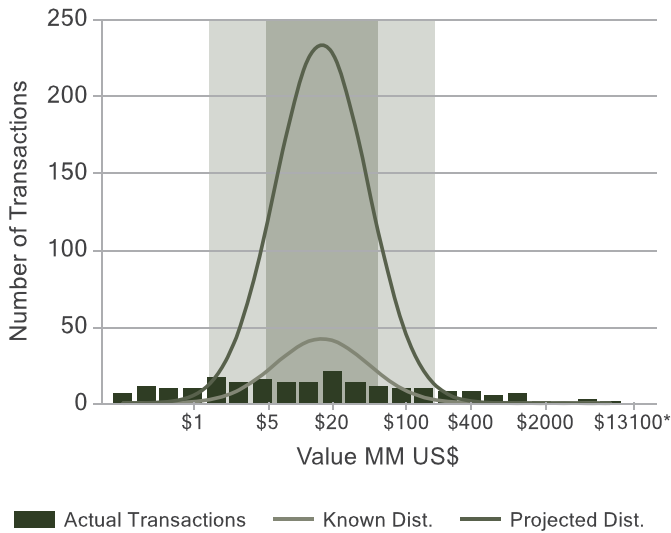
**Median Enterprise Value Multiples By Half Year**



**Figure 2.** 2018-2020 median: value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2020 – June 30, 2020

## Bell Curve - Histogram - 1st Half



**Figure 3.** Shows the distribution of Online and Mobile Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.0 million to \$403.4 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2020 at \$78.6 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2020 to June 30, 2020.

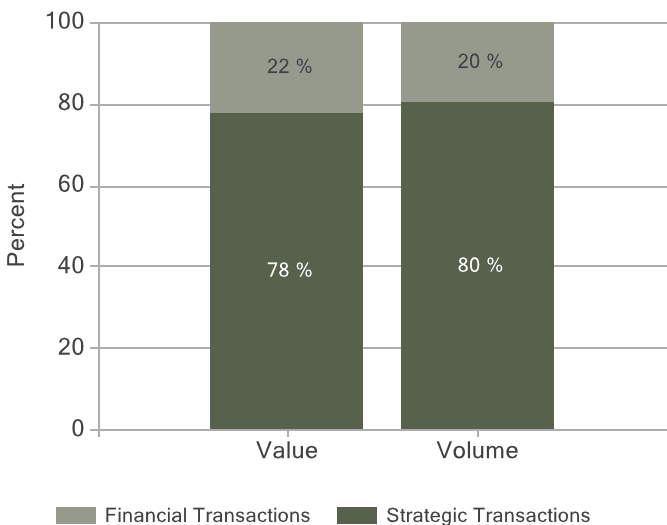
## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	6	0	6	3 %	3 %
\$0.4	11	0	11	5 %	8 %
\$0.6	10	1	11	5 %	13 %
\$1.0	10	5	14	5 %	18 %
\$1.6	17	17	34	8 %	26 %
\$2.7	13	48	60	6 %	32 %
\$4.5	16	103	118	8 %	40 %
\$7.4	14	172	186	7 %	46 %
\$12.2	13	225	237	6 %	52 %
\$20.1	21	228	249	10 %	62 %
\$33.1	13	181	193	6 %	69 %
\$54.6	11	111	122	5 %	74 %
\$90.0	10	53	63	5 %	79 %
\$148.4	10	20	29	5 %	83 %
\$244.7	8	6	13	4 %	87 %
\$403.4	8	1	9	4 %	91 %
\$665.1	5	0	5	2 %	93 %
\$1,096.6	6	0	6	3 %	96 %
\$1,808.0	1	0	1	0 %	97 %
\$2,981.0	0	0	0	0 %	97 %
\$4,914.8	3	0	3	1 %	98 %
\$8,103.1	1	0	1	0 %	99 %
Total #	210	1172	1382		
Total \$ Value	\$59,645	\$18,924	\$78,569		
Middle 3rd of Industry		Middle 2/3rds of Industry			

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

# Strategic vs. Financial Comparison

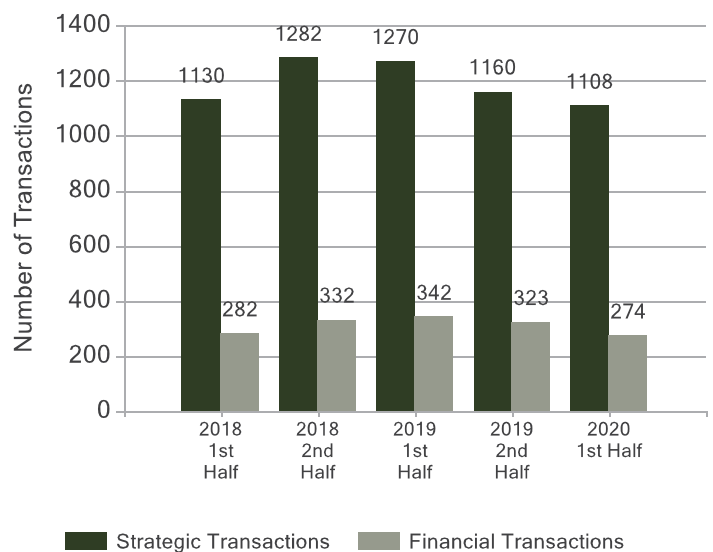
## M&A Dynamics By Transaction Type - 1st Half



**Figure 5.** 1st Half 2020 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.

## Transaction Type By Half Year



**Figure 6.** 2018-2020 acquirer type comparison by half year.

# Purchaser Analysis

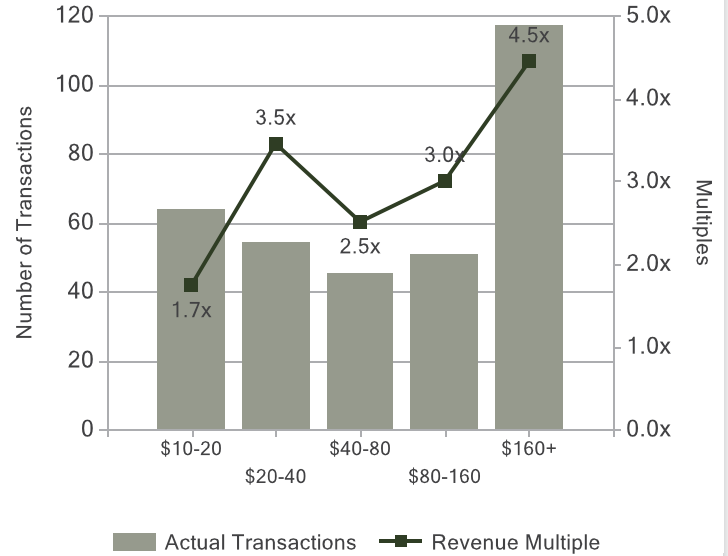
## Top Ten Notable Transactions - 1st Half 2020

Deal Date	Target Name	Buyer	Value MM US\$
02/20/20	E-Trade Financial Corp.	Morgan Stanley	\$13,132
06/11/20	GrubHub, Inc.	Just Eat Takeaway.com	\$7,428
02/25/20	Credit Karma	Intuit, Inc.	\$7,100
01/13/20	Plaid Technologies, Inc.	Visa, Inc.	\$5,300
02/18/20	RSA Security	Symphony Technology Group, Alinvest Partners N.V., Ontario Teachers' Pension Plan	\$2,075
06/01/20	Peak Games	Zynga, Inc.	\$1,800
02/06/20	ForeScout Technologies	Advent International, Crosspoint Capital Partners	\$1,717
02/26/20	Vlocity	Salesforce.com, Inc.	\$1,330
01/08/20	Open Lending, Inc.	True Wind Capital	\$1,300
02/25/20	Saba Software, Inc.	Cornerstone OnDemand, Inc.	\$1,295
2020 Aggregate Transaction Value			\$78,569
Top 10 Aggregate Transaction Value			\$42,477
Top 10 Aggregate Value as a Percentage of All Transactions			54 %

**Figure 7.** Lists the top ten transactions for 1st Half 2020 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4.

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

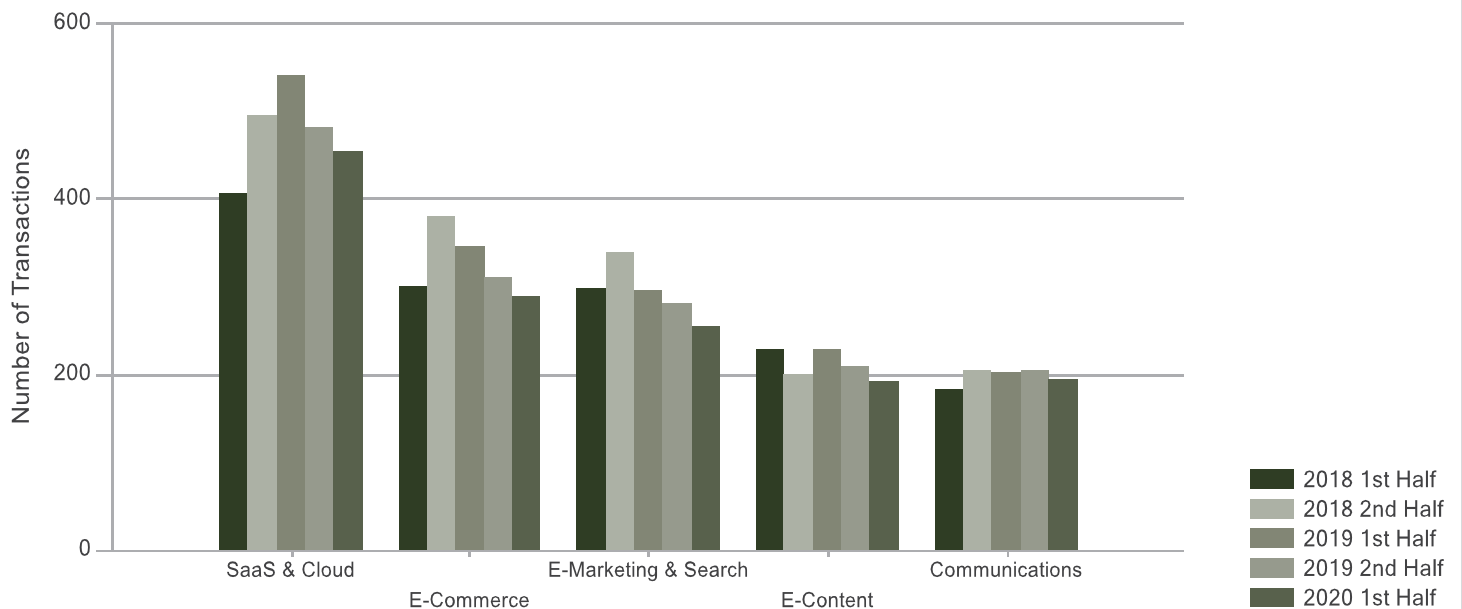
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from January 1, 2018 to June 30, 2020 based on publicly available sales price and revenue data.

# Transaction Volume by Segment :: January 1, 2018 – June 30, 2020

## Transactions By Market Segment By Half Year



**Figure 9.** Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2018 through June 30, 2020.

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## RECENT ONLINE & MOBILE TRANSACTIONS



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