



## PRIVATE EQUITY INFORMATION INDUSTRY

### *Financially Sponsored Transactions within the Information Industry*

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

##### 1ST HALF 2020 KEY HIGHLIGHTS

- Four of the Information Industry's top five largest sponsored deals year-to-date occurred in the Infrastructure Software segment.
- Along these lines were Insight Venture Partners' acquisition of Veeam Software, a cloud-focused backup and disaster recovery services provider, for \$5 billion as well as Armis, an enterprise IoT security company, for \$1.1 billion; a Symphony Technology Group led consortium's announced acquisition of Dell Technologies' RSA Security business for \$2.08 billion; and Advent International and Crosspoint Capital Partners' announced acquisition of ForeScout Technologies, which develops device visibility, control, and cybersecurity solutions, for \$1.72 billion.

##### 1ST HALF 2020 KEY TRENDS

- Total transaction volume in 1st Half 2020 decreased by 21 percent over 2nd Half 2019, from 486 to 382.
- Total transaction value in 1st Half 2020 fell by 59 percent over 2nd Half 2019, from \$59.43 billion to \$24.53 billion. Of note, value rose 30 percent from 1st Half 2019 to 2nd Half 2019, which was its peak during the last 30 months.
- The median revenue multiple declined from 3.6x in 2nd Half 2019 to 3.2x in 1st Half 2020, marking a return to its 1st Half 2019 level. The median EBITDA multiple moved upward from 14.4x in 2nd Half 2019 to 15.7x in 1st Half 2020.

##### M&A MARKET OVERVIEW

Berkery Noyes tracked 2,305 private equity transactions between 2018 and 1st Half 2020, of which 249 disclosed financial terms, and calculated the aggregate transaction value to be \$151.54 billion. Based on known transaction values, we project values of 2,056 undisclosed transactions to be \$68.25 billion, totaling \$219.79 billion worth of transactions tracked over the past two and a half years.

Disclosed median revenue multiple for all segments combined in this report in the last 30 months were 3.0x revenue and 14.3x EBITDA.

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

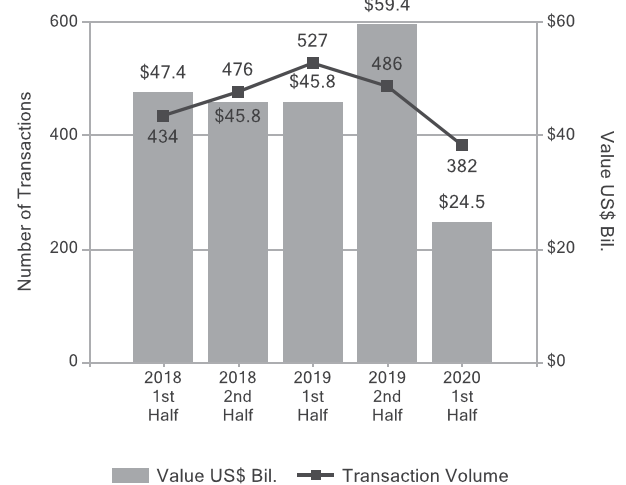


Figure 1. 2018-2020 value and volume comparison.

**Median Enterprise Value Multiples By Half Year**

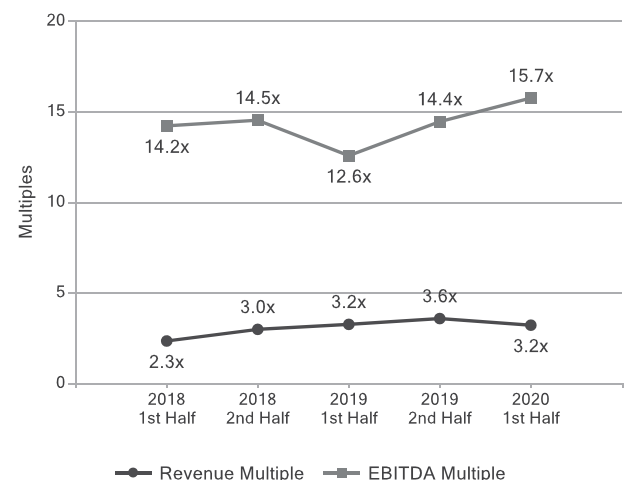
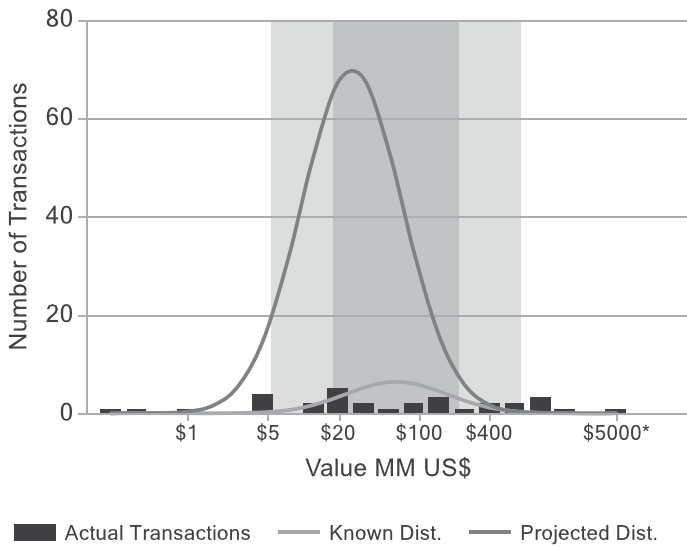


Figure 2. 2018-2020 median: revenue and EBITDA comparison.

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

## Bell Curve - Histogram - 1st Half



**Figure 3.** Shows the distribution of private equity transactions in the Information Industry 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 \$20.1 million to \$148.4 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2020 at \$24.5 billion.

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

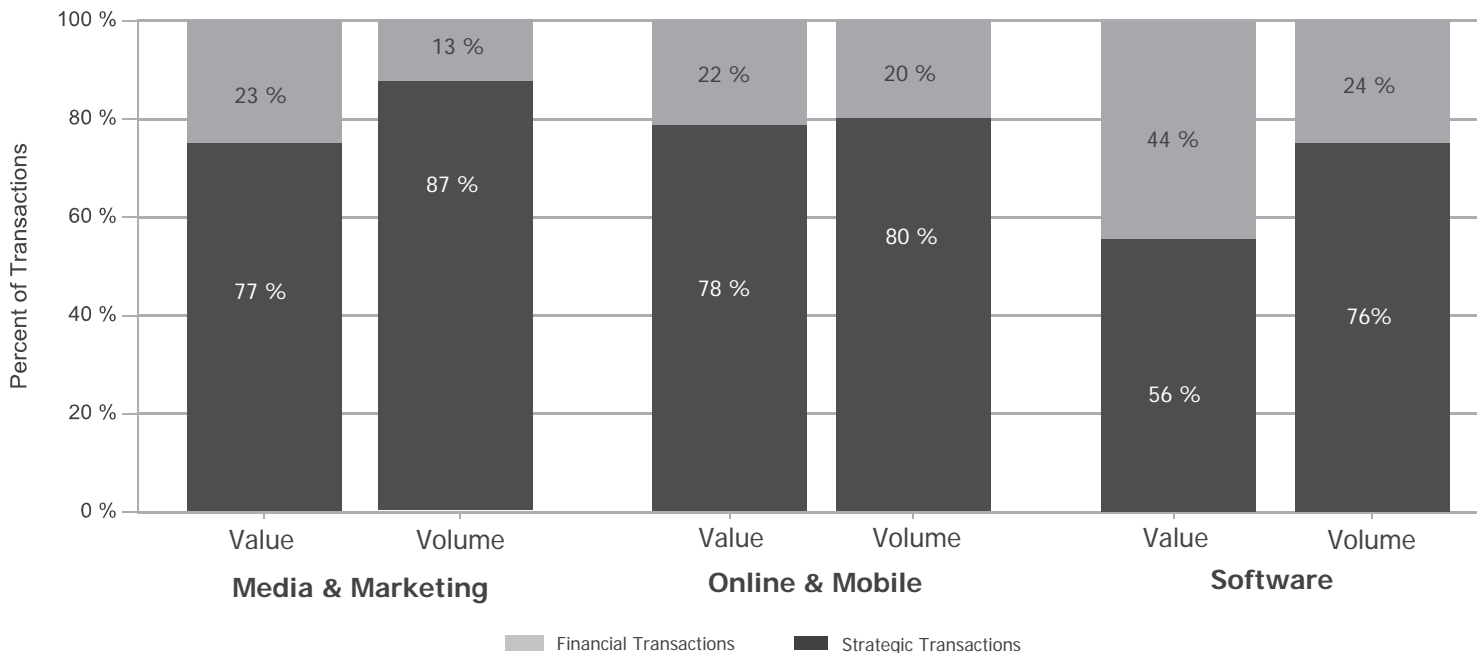
## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	1	0	1	3 %	3 %
\$0.4	1	0	1	3 %	6 %
\$0.6	0	0	0	0 %	6 %
\$1.0	1	0	1	3 %	9 %
\$1.6	0	1	1	0 %	9 %
\$2.7	0	5	5	0 %	9 %
\$4.5	4	15	18	13 %	22 %
\$7.4	0	31	31	0 %	22 %
\$12.2	2	52	53	6 %	28 %
\$20.1	5	67	72	16 %	44 %
\$33.1	2	68	70	6 %	50 %
\$54.6	1	54	54	3 %	53 %
\$90.0	2	33	34	6 %	59 %
\$148.4	3	16	18	9 %	69 %
\$244.7	1	6	6	3 %	72 %
\$403.4	2	2	3	6 %	78 %
\$665.1	2	0	2	6 %	84 %
\$1,096.6	3	0	3	9 %	94 %
\$1,808.0	1	0	1	3 %	97 %
\$2,981.0	0	0	0	0 %	97 %
\$4,914.8	1	0	1	3 %	100 %
Total #	32	350	382		
Total \$ Value	\$15,286	\$9,241	\$24,528		
Middle 3rd of Industry		Middle 2/3rds of Industry			

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

# M&A Dynamics by Acquirer Type :: January 1, 2020 – June 30, 2020

## M&A Dynamics by Transaction Type and Industry



**Figure 5.** Presents the transaction volume by target segment for private equity transactions in the Information Industry. **Note:** Financially sponsored transactions include private equity backed strategic acquisitions.

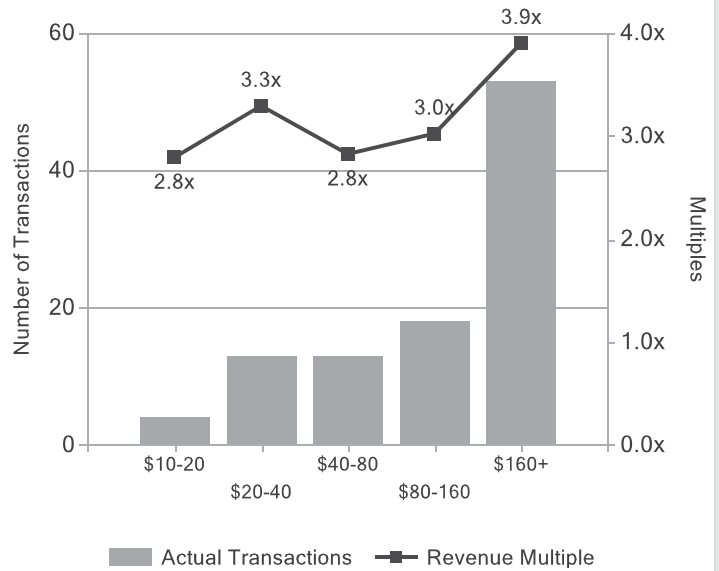
# Purchaser Analysis

## Top Ten Notable Transactions - 1st Half 2020

Deal Date	Target Name	Buyer	Value MM US\$
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
01/08/20	Open Lending, Inc.	True Wind Capital	\$1,300
01/08/20	Armis, Inc.	Insight Venture Partners	\$1,100
03/26/20	Ironman	Advance, Inc., Orkila Capital, LLC	\$730
05/07/20	Conga	Apttus	\$715
03/04/20	Huntsworth PLC	Clayton, Dubilier & Rice, Inc.	\$665
03/05/20	The Meet Group	NuCom Group	\$496
06/01/20	Vision Healthcare NV	Avista Capital Partners	\$339
2020 Aggregate Transaction Value			\$24,528
Top 10 Aggregate Transaction Value			\$14,136
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>58 %</b>

**Figure 6.** 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 Figures 1 & 4.

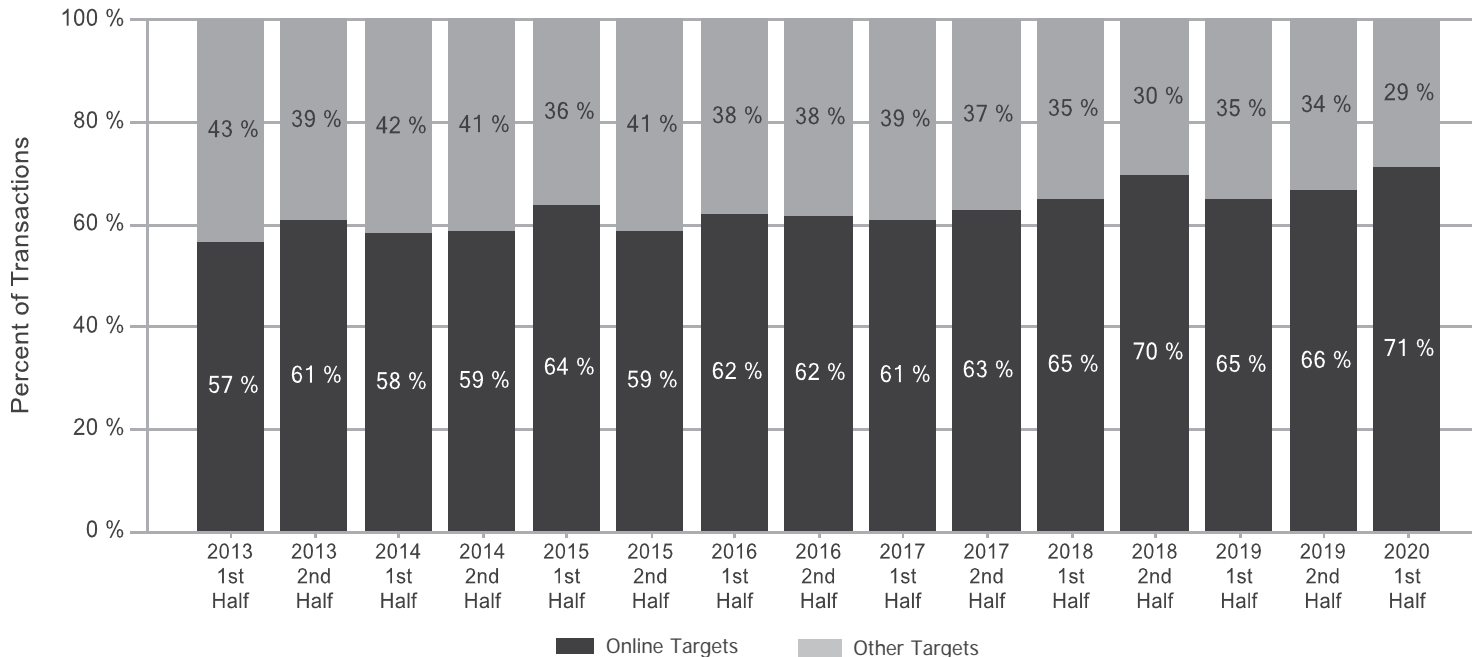
## Median EV/Revenue Multiples By Size



**Figure 7.** Presents the median enterprise value/revenue multiples paid for private equity transactions in the Information Industry from January 1, 2018 to June 30, 2020 based on publicly available data.

# Transactions Involving an Online Component

## Transaction Percentages of Online Targets



**Figure 8.** Percentage of total private equity transactions in the Information Industry where the target company conducts the majority of their business online. The total percentages are measured by half year from January 1, 2013 to June 30, 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](http://www.mandasoft.com)

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HAS BEEN ACQUIRED BY



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