

INFORMATION INDUSTRY

Q3 2020 :: Mergers and Acquisitions Trend Report

Q3 2020 KEY HIGHLIGHTS

- Strategic acquisitions represented 79 percent of total volume and 68 percent of total value in the 1st 3 Quarters of 2020.
- The industry's largest transaction in Q3 2020 was Intercontinental Exchange's announced acquisition of Ellie Mae, a cloud-based platform provider for the mortgage finance industry, for \$11 billion. Of note, Thoma Bravo acquired Ellie Mae in 2019 for \$3.3 billion.

Q3 2020 KEY TRENDS

- Total transaction volume in Q3 2020 increased by 18 percent over Q2 2020, from 854 to 1,008.
- As for the industry's horizontal markets on a quarterly basis, Software volume gained 25 percent; Online & Mobile volume improved by 23 percent; and Media & Marketing volume moved upward by ten percent.
- Total transaction value rose from \$26.3 billion in Q2 2020 to \$98.6 billion in Q3 2020.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2019 through the 1st 3 Quarters of 2020 shifted slightly, from 2.6x to 2.4x. This was the same as its 2018 level.
- The median EBITDA multiple from 2019 through the 1st 3 Quarters of 2020 remained nearly constant at 12.5x.

M&A Market Dynamics By Quarter

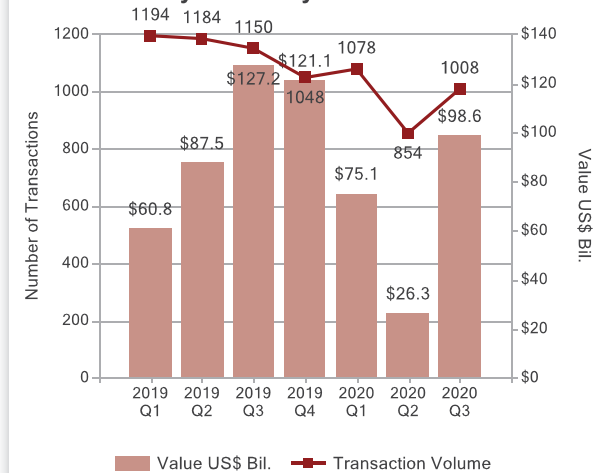


Figure 1. 2019-2020 value and volume comparison.

Median Enterprise Value Multiples

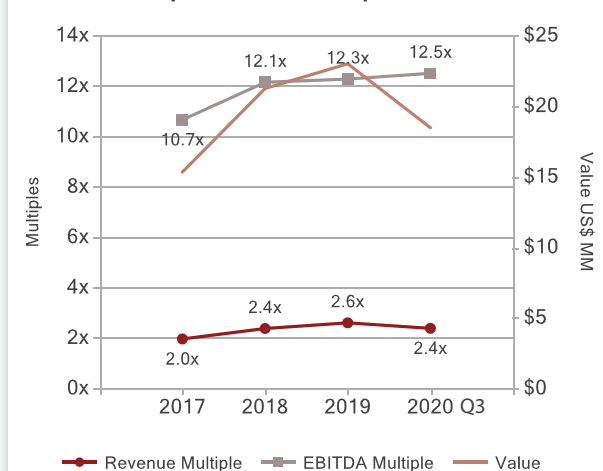


Figure 2. 2017-2020 median revenue and EBITDA comparison through Q3 2020.

Top Ten Notable Transactions - 1st 3 Quarters 2020

Deal Date	Target Name	Buyer	Value MM US\$
02/20/20	E-Trade Financial Corp.	Morgan Stanley	\$13,132
08/06/20	Ellie Mae, Inc.	Intercontinental Exchange	\$11,000
07/21/20	eBay Classifieds Group	Adevinta ASA	\$9,214
09/21/20	ZeniMax Media, Inc.	Microsoft Corporation	\$7,500
06/11/20	GrubHub, Inc.	Just Eat Takeaway.com	\$7,428
02/25/20	Credit Karma	Intuit, Inc.	\$7,100
08/13/20	Vertafore, Inc.	Roper Technologies, Inc.	\$5,350
01/13/20	Plaid Technologies, Inc.	Visa, Inc.	\$5,300
08/26/20	OSISoft	AVEVA Group plc	\$5,020
01/10/20	Veeam Software	Insight Venture Partners	\$5,000
2020 Aggregate Transaction Value			\$197,658
Top 10 Aggregate Transaction Value			\$76,044
Top 10 Aggregate Value as a Percentage of All Transactions			38 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2020 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 2020

The top ten deals by value have seen five new additions since our half year report, including three in the Software horizontal. The largest Infrastructure Software deal during the quarter was AVEVA Group's announced acquisition of OSISoft, which offers real-time industrial operational data software and services, for \$5 billion.

These five transactions, with an aggregate value of \$38.1 billion, represented 19 percent of transaction value in the 1st 3 Quarters of 2020 and 39 percent of Q3 2020 transaction value.

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RECENT INFORMATION INDUSTRY TRANSACTIONS



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF

STONE POINT CAPITAL



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS ACQUIRED



A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



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AND



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