

PRIVATE EQUITY INFORMATION INDUSTRY

Q3 2020 :: Mergers and Acquisitions Trend Report

Q3 2020 KEY HIGHLIGHTS

- Regarding the Software horizontal, the largest sponsored transaction in Q3 2020 was Clayton, Dubilier & Rice's announced acquisition of Epicor Software Corporation, which provides industry specific enterprise software to industrial-focused sectors, for \$4.7 billion.
- In terms of the Education vertical, the largest sponsored transaction in Q3 2020 was Cambium Learning Group's announced acquisition of Rosetta Stone, a technology-based learning solutions company best known for its language programs, for \$735 million.

Q3 2020 KEY TRENDS

- Total transaction volume in Q3 2020 increased by 50 percent over Q2 2020, from 158 to 237.
- Total transaction value in Q3 2020 nearly quadrupled over Q2 2020, from \$6.5 billion to \$25.6 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2019 through the 1st 3 Quarters of 2020 declined 11 percent, from 3.5x to 3.1x.
- The median EBITDA multiple from 2019 through the 1st 3 Quarters of 2020 improved 13 percent, from 14.1x to 16.0x.
- Disclosed median enterprise value multiples from 2017 through the 1st 3 Quarters of 2020 were 3.0x revenue and 14.4x EBITDA.

M&A Market Dynamics By Quarter

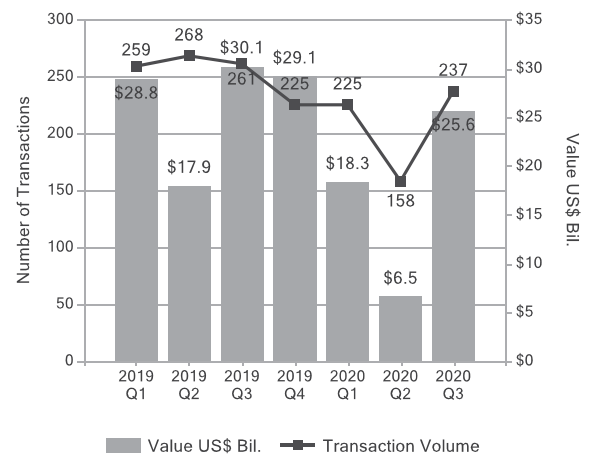


Figure 1. 2019-2020 value and volume comparison.

Median Enterprise Value Multiples

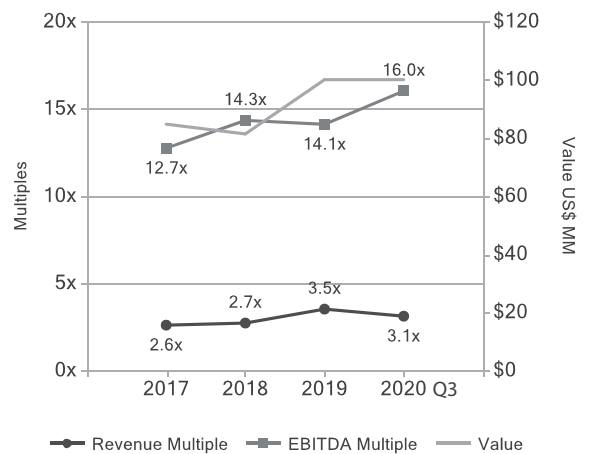


Figure 2. 2017-2020 median revenue, value, and EBITDA comparison through Q3 2020.

Top Ten Notable Transactions - 1st 3 Quarters 2020

Deal Date	Target Name	Buyer	Value MM US\$
01/10/20	Veeam Software	Insight Venture Partners	\$5,000
08/05/20	Ancestry.com	Blackstone Group LP	\$4,700
09/01/20	Epicor Software Corporation	Clayton, Dubilier & Rice, Inc.	\$4,700
09/18/20	51job, Inc.	DCP Capital Partners, L.P.	\$3,773
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
01/08/20	Open Lending, Inc.	True Wind Capital	\$1,300
01/08/20	Armis, Inc.	Insight Venture Partners	\$1,100
09/28/20	MobileIron	Ivanti	\$872
09/01/20	Rosetta Stone Inc.	Cambium Learning Group	\$735

2020 Aggregate Transaction Value \$50,652

Top 10 Aggregate Transaction Value \$25,971

Top 10 Aggregate Value as a Percentage of All Transactions 51 %

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. This included two of the top three largest transactions year-to-date. None of the top ten acquisitions throughout the 1st 3 Quarters of 2020 occurred during Q2.

These five transactions, with an aggregate value of \$14.8 billion, represented 29 percent of transaction value in the 1st 3 Quarters of 2020 and 58 percent of Q3 2020 transaction value.

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RECENT FINANCIALLY SPONSORED TRANSACTIONS



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF

STONE POINT CAPITAL



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS ENTERED INTO A STRATEGIC PARTNERSHIP WITH



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS ACQUIRED



A PORTFOLIO COMPANY OF

THE JORDAN COMPANY WICKS POST CAPITAL



HAS BEEN ACQUIRED BY



A SUBSIDIARY OF



HAS RECEIVED AN INVESTMENT FROM



HAS BEEN ACQUIRED BY



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