

INFORMATION INDUSTRY

The Production and Provision of Content

FULL YEAR 2020 :: Mergers and Acquisitions Trend Report

2020 KEY HIGHLIGHTS

- Nine of the industry's top ten largest deals in 2020 were completed by strategic acquirers.
- Strategic acquisitions represented 22 percent of total volume and 35 percent of total value, respectively.

2020 KEY TRENDS

- Total transaction volume in 2020 decreased by 14 percent over 2019, from 4,579 to 3,955.
- On a half year basis, M&A activity improved by six percent in 2nd Half 2020 over 1st Half 2020, from 1,937 to 2,058.
- Total transaction value in 2020 fell by 18 percent over 2019, from \$395.89 billion to \$323.11 billion.
- On a half year basis, M&A value more than doubled in 2nd Half 2020 over 1st Half 2020, from \$99 billion to \$224.11 billion.
- The median revenue multiple from 2019 to 2020 remained constant at 2.6x. The median EBITDA multiple also stayed nearly the same during this timeframe at 12.5x.

M&A MARKET OVERVIEW

Berkery Noyes tracked 13,000 Information Industry transactions between 2018 and 2020, of which 2,360 disclosed financial terms, and calculated the aggregate value to be \$856.76 billion. Based on known transaction values, we project values of 10,640 undisclosed transactions to be \$241.35 billion, totaling \$1,098.11 trillion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 2.5x revenue and 12.4x EBITDA.

Out of 13,000 deals tracked by Berkery Noyes between 2018 and 2020, transactions valued at \$160 million and above garnered a median enterprise value multiple of 4.4x revenue. In contrast, companies with transaction values between \$10 million and \$20 million captured a median enterprise value multiple of 1.9x revenue.

M&A Market Dynamics

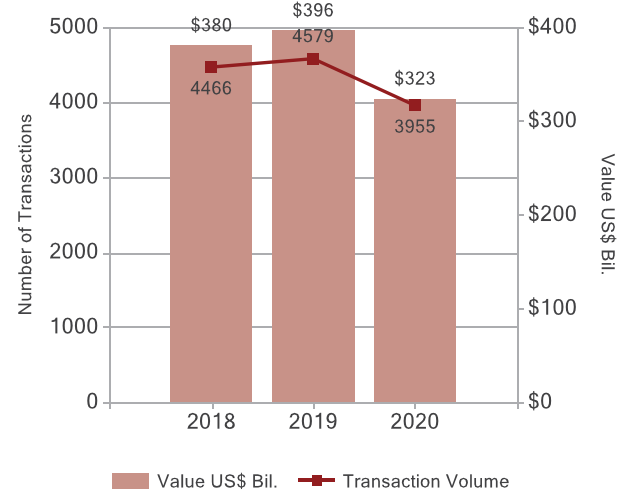


Figure 1. 2018-2020 value and volume comparison.

Median Enterprise Value Multiples

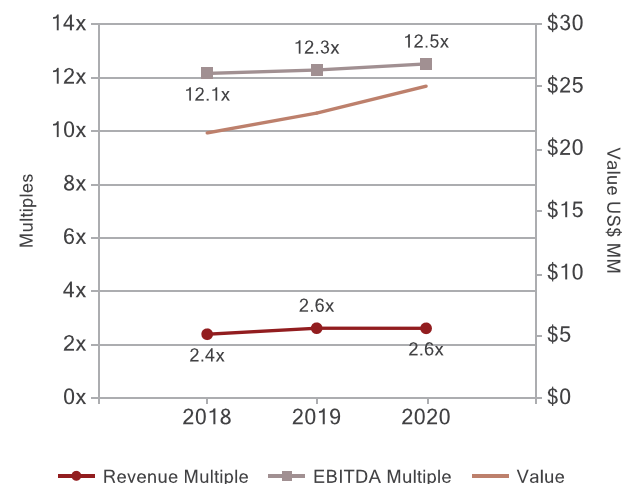


Figure 2. 2018-2020 median: value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2020 – December 31, 2020

Bell Curve - Histogram

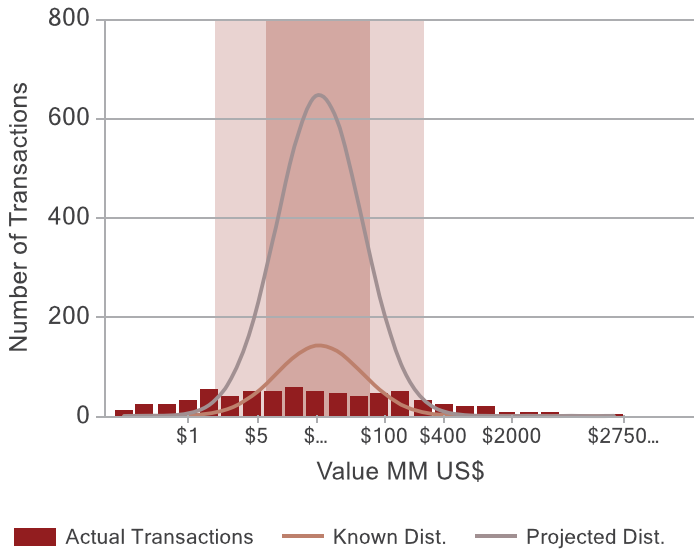


Figure 3. Shows the distribution of Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done in 2020 at \$323.1 billion.

* Indicates largest transaction in the industry from Jan. 1, 2020 to Dec. 31, 2020.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	14	0	14	2 %	2 %
\$0.4	23	0	23	3 %	5 %
\$0.6	25	1	26	4 %	9 %
\$1.0	33	5	38	5 %	13 %
\$1.6	53	22	75	7 %	21 %
\$2.7	40	72	112	6 %	26 %
\$4.5	52	182	233	7 %	34 %
\$7.4	52	356	407	7 %	41 %
\$12.2	57	543	599	8 %	49 %
\$20.1	51	644	694	7 %	56 %
\$33.1	46	595	641	6 %	63 %
\$54.6	38	429	466	5 %	68 %
\$90.0	48	240	288	7 %	75 %
\$148.4	49	105	153	7 %	81 %
\$244.7	30	36	65	4 %	86 %
\$403.4	22	9	31	3 %	89 %
\$665.1	19	2	20	3 %	91 %
\$1,096.6	21	0	21	3 %	94 %
\$1,808.0	7	0	7	1 %	95 %
\$2,981.0	7	0	7	1 %	96 %
\$4,914.8	8	0	8	1 %	97 %
\$8,103.1	4	0	4	1 %	98 %
\$13,359.7	0	0	0	0 %	98 %
\$22,026.5	1	0	1	0 %	98 %
Total #	713	3242	3955		
Total \$ Value	\$251,669	\$71,445	\$323,114		

■ 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

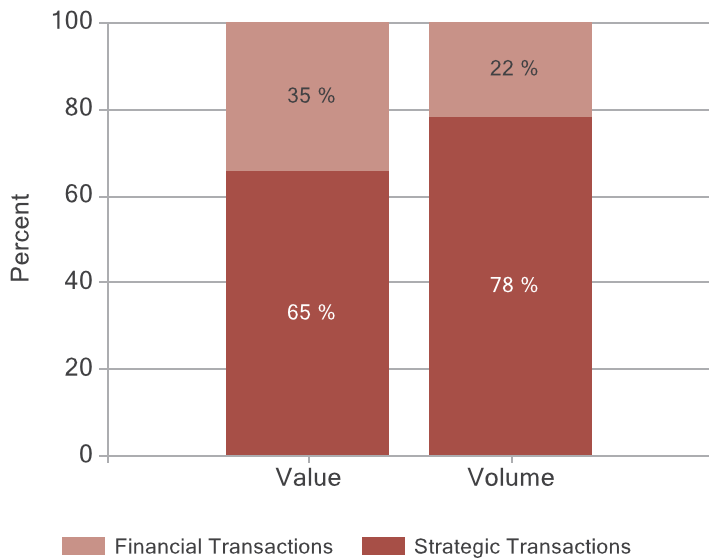


Figure 5. 2020 value and volume comparison by acquirer type.

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

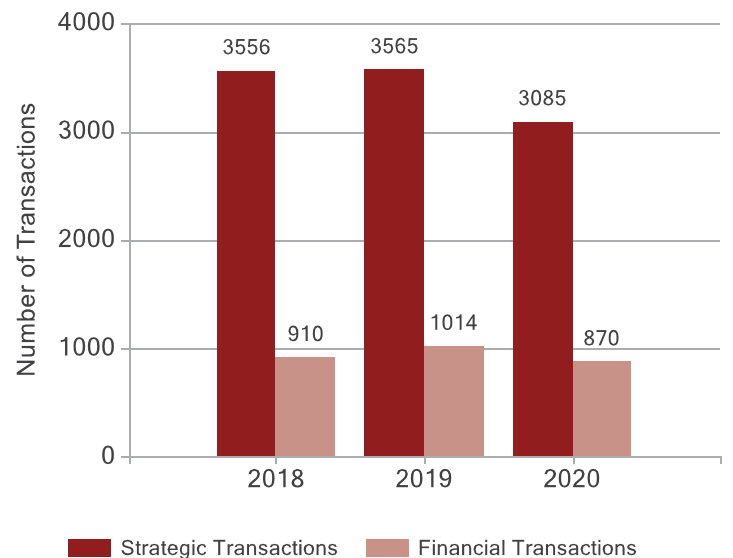


Figure 6. 2018-2020 acquirer type comparison by year.

Purchaser Analysis

Top Ten Notable Transactions 2020

Deal Date	Target Name	Buyer	Value MM US\$
12/01/20	Slack Technologies, Inc	Salesforce.com, Inc.	\$27,483
02/20/20	E-Trade Financial Corp.	Morgan Stanley	\$13,132
08/06/20	Ellie Mae, Inc.	Intercontinental Exchange	\$11,000
12/21/20	RealPage, Inc.	Thoma Bravo, LLC	\$9,773
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
10/05/20	SIA Group	Nexi S.p.A.	\$5,344
2020 Aggregate Transaction Value			\$323,114
Top 10 Aggregate Transaction Value			\$103,324
Top 10 Aggregate Value as a Percentage of All Transactions			32 %

Figure 7. Lists the top ten transactions for 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**. Deal value represents total consideration paid by the acquirer.

Median EV/Revenue Multiples By Size

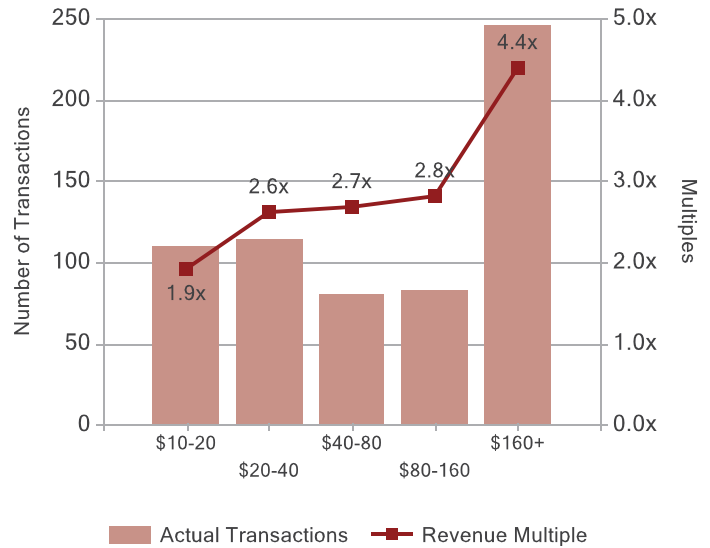


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from Jan. 1, 2018 to Dec. 31, 2020 based on publicly available data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

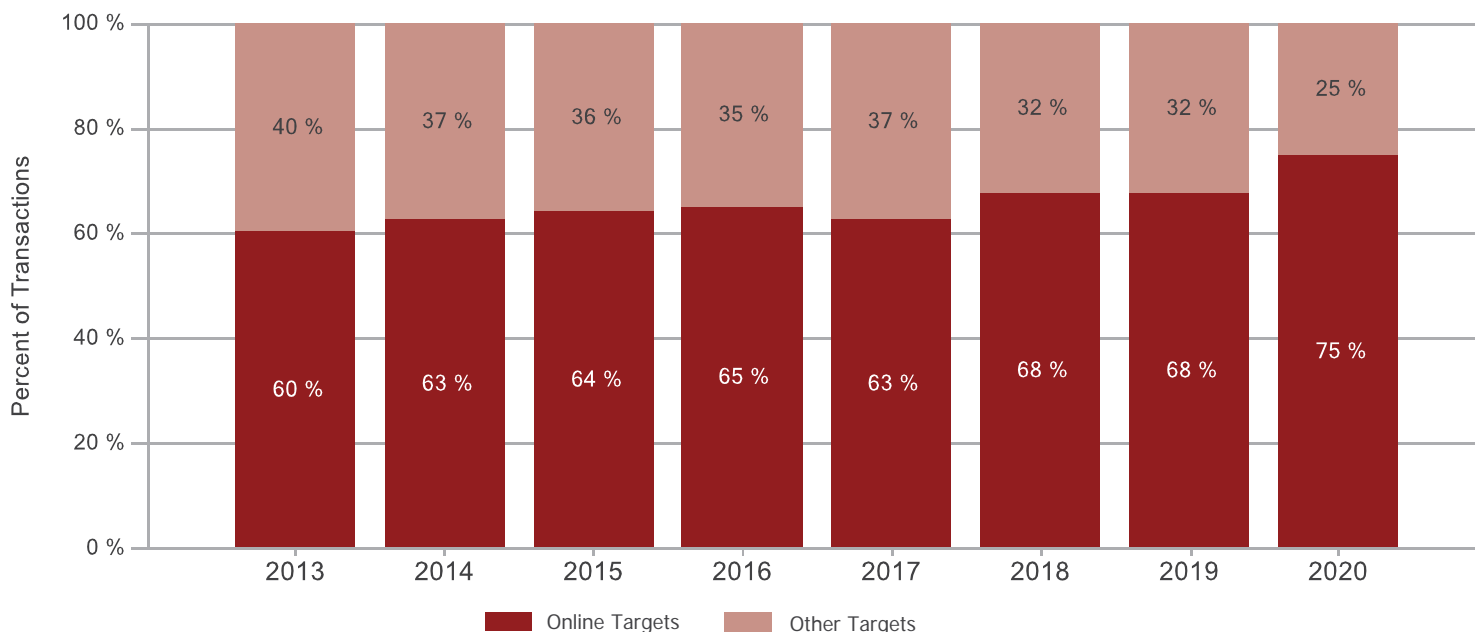


Figure 9. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by year from 2013-2020.

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