



PRIVATE EQUITY INDUSTRY

Financially Sponsored Transactions within the Information Industry

FULL YEAR 2020 :: Mergers and Acquisitions Trend Report

2020 KEY HIGHLIGHTS

- The Information Industry’s most active financial sponsor either directly or through an affiliated business in 2020 was Thoma Bravo with 35 transactions.
- Thoma Bravo was also responsible for the industry’s largest sponsored deal during the year with the acquisition of Real Page, which offers property and real estate management software for multifamily, single-family, senior-living, commercial, and other uses, for \$9.77 billion.
- Insight Venture Partners completed the largest sponsored deal in the Infrastructure segment in 2020 with the acquisition of Veeam Software, a cloud-focused backup and disaster recovery services provider, for \$5 billion.

2020 KEY TRENDS

- Total transaction volume in 2020 decreased by 14 percent over 2019, from 1,014 to 872. On a half year basis, M&A activity improved 27 percent in 2nd Half 2020 over 1st Half 2020, from 384 to 488.
- Total transaction value in 2020 declined by 16 percent over 2019, from \$101.46 billion to \$85.14 billion. On a half year basis, M&A value more than doubled in 2nd Half 2020 over 1st Half 2020, from \$24.58 billion to \$60.56 billion.
- The median revenue multiple moved downward from 3.5x in 2019 to 3.2x in 2020. The median EBITDA multiple rose from 14.1x in 2019 to 17.2x in 2020.

M&A MARKET OVERVIEW

Berkery Noyes tracked 2,796 private equity transactions in the Information Industry between 2018 and 2020, of which 305 disclosed financial terms, and calculated the aggregate value to be \$197.89 billion. Based on known transaction values, we project values of 2,491 undisclosed transactions to be \$82.34 billion, totaling \$280.23 billion 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 3.1x revenue and 14.5x EBITDA.

M&A Market Dynamics

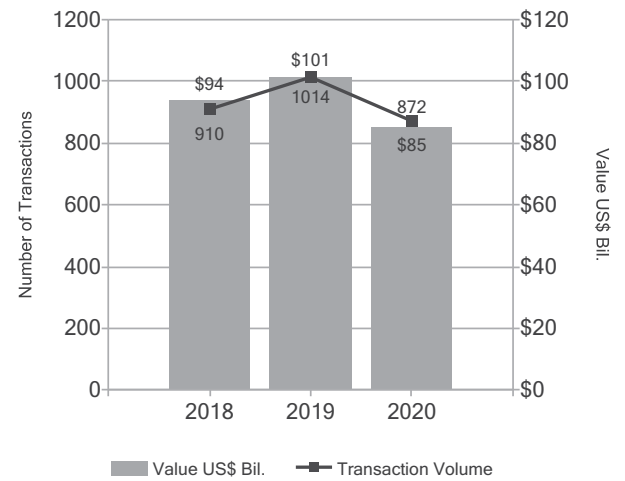


Figure 1. 2018-2020 value and volume comparison.

Median Enterprise Value Multiples

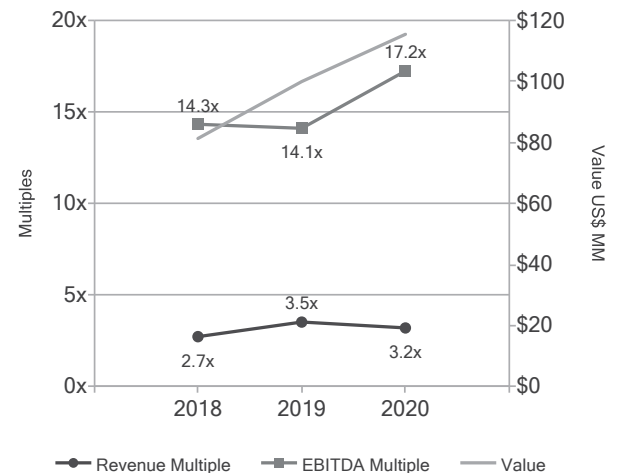


Figure 2. 2018-2020 median value, revenue, EBITDA comparison.

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

Bell Curve - Histogram

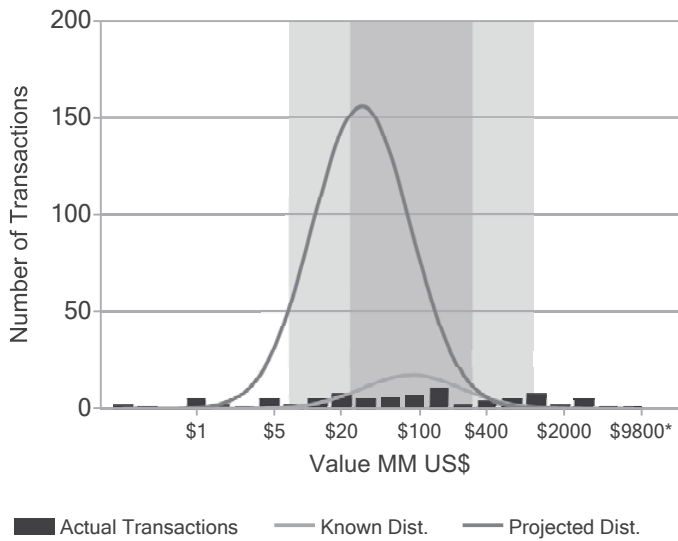


Figure 3. Shows distribution of private equity transactions in the Information Industry based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$20.1 million to \$148.4 million. Based on this data, we estimate the total transaction value of deals done in 2020 at \$85.1 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	2	0	2	2 %	2 %
\$0.4	1	0	1	1 %	3 %
\$0.6	0	0	0	0 %	3 %
\$1.0	5	0	5	6 %	9 %
\$1.6	2	2	4	2 %	11 %
\$2.7	1	9	9	1 %	13 %
\$4.5	5	26	30	6 %	18 %
\$7.4	2	59	60	2 %	20 %
\$12.2	5	104	109	6 %	26 %
\$20.1	8	144	152	9 %	35 %
\$33.1	5	156	160	6 %	41 %
\$54.6	6	131	136	7 %	48 %
\$90.0	7	85	92	8 %	56 %
\$148.4	11	44	54	13 %	68 %
\$244.7	2	17	19	2 %	70 %
\$403.4	4	5	9	5 %	75 %
\$665.1	5	1	6	6 %	81 %
\$1,096.6	8	0	8	9 %	90 %
\$1,808.0	2	0	2	2 %	92 %
\$2,981.0	5	0	5	6 %	98 %
\$4,914.8	1	0	1	1 %	99 %
\$8,103.1	1	0	1	1 %	100 %
Total #	88	784	872		
Total \$ Value	\$61,635	\$23,507	\$85,141		
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 – December 31, 2020

M&A Dynamics by Transaction Type and Industry

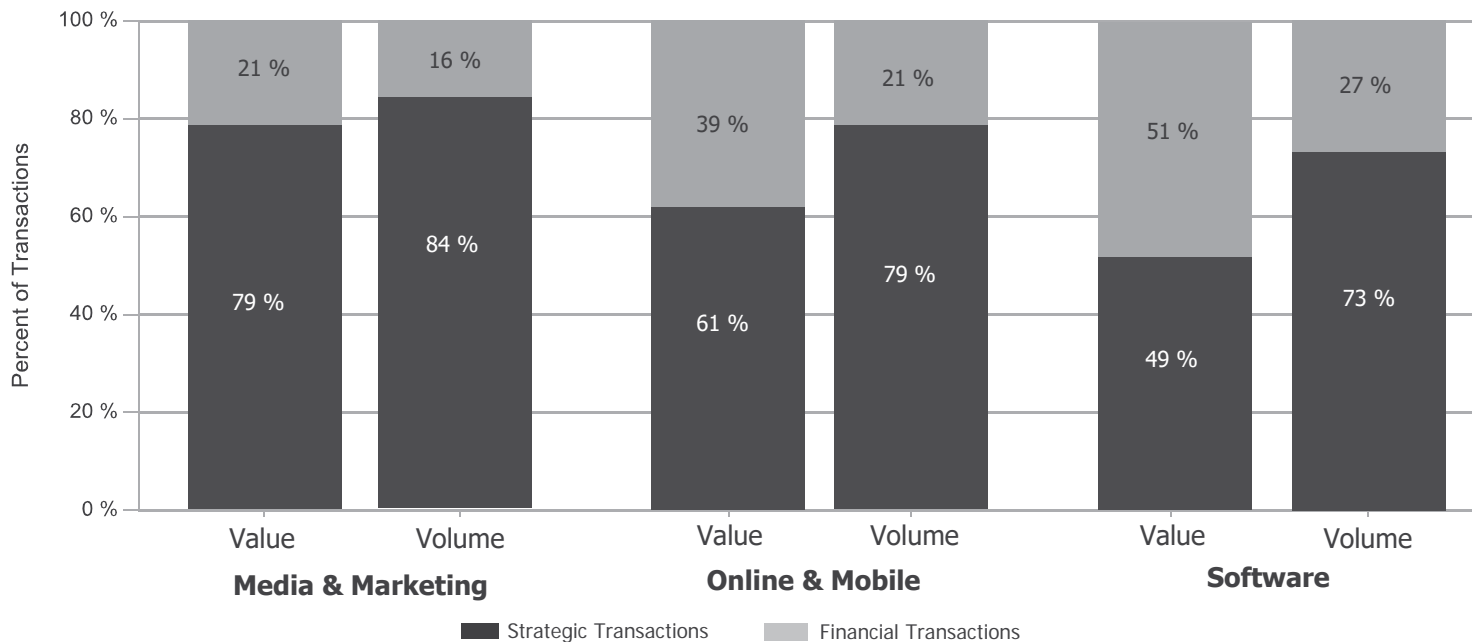


Figure 5. Presents the transaction volume by target segment for private equity transactions in the Information Industry.

Note: Financially sponsored transactions include private equity backed strategic acquisitions.

Purchaser Analysis

Top Ten Notable Transactions 2020

Deal Date	Target Name	Buyer	Value MM US\$
12/21/20	RealPage, Inc.	Thoma Bravo, LLC	\$9,773
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
12/14/20	Pluralsight	Vista Equity Partners	\$3,885
09/18/20	51job, Inc.	DCP Capital Partners, L.P.	\$3,773
11/03/20	Endurance International Group	Clearlake Capital Group, L.P.	\$3,091
11/04/20	Nielsen Global Connect business from The Nielsen Company, Inc.	Advent International	\$2,700
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
2020 Aggregate Transaction Value			\$85,141
Top 10 Aggregate Transaction Value			\$41,414
Top 10 Aggregate Value as a Percentage of All Transactions			49 %

Figure 6. 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 Figures 1 & 4.

Transaction data based on **announced date**. Deal value represents total consideration paid by the acquirer.

Median EV/Revenue Multiples by Size

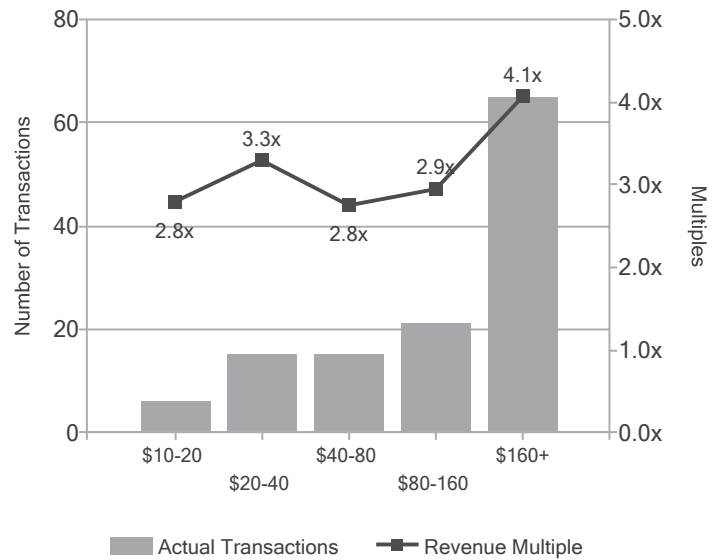


Figure 7. Presents the median enterprise value/revenue multiples paid for private equity transactions in the Information Industry from Jan. 1, 2018 to Dec. 31, 2020 based on publicly available sales price and revenue data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

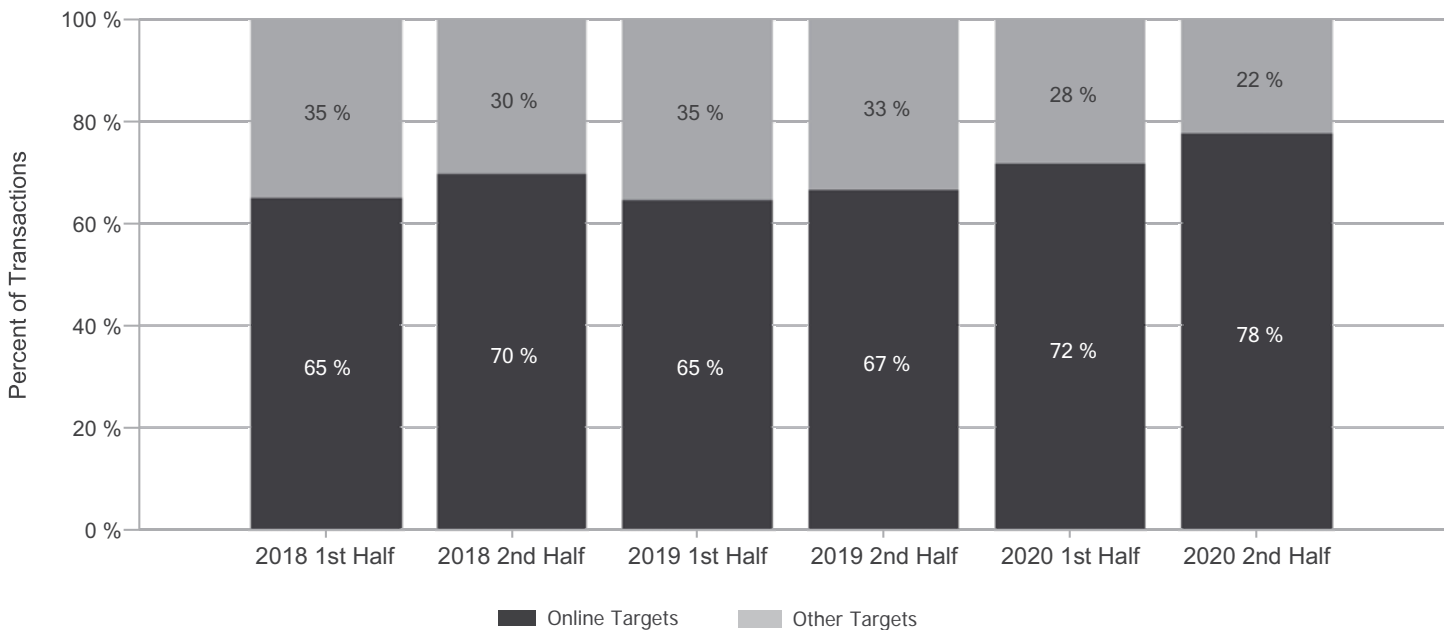


Figure 8. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by Half Year from 2018-2020.

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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



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