



PRIVATE EQUITY INDUSTRY

Financially Sponsored Transactions within the Information Industry

FULL YEAR 2014 :: Mergers and Acquisitions Trend Report

2014 KEY HIGHLIGHTS

- The most active financial sponsor in 2014 was Vista Equity Partners with 29 transactions. Vista was also responsible for two of the top ten highest value deals during the year: TIBCO Software Inc. for \$4.11 billion and Advanced Computer Software Group plc for \$1.11 billion.
- Two of the top three highest value private equity deals in 2014 occurred in the Marketing horizontal: Leonard Green & Partners, L.P. and CVC Capital Partners' acquisition of Advantage Sales and Marketing for \$4.2 billion and Berkshire Partners LLC's acquisition of Catalina for \$2.5 billion. Both of these acquired companies serve the consumer packaged goods (CPG) marketplace.

2014 KEY TRENDS

- Total transaction volume in 2014 increased by 22 percent over 2013, from 454 to 554.
- Total transaction value in 2014 rose by 20 percent over 2013, from \$42.94 billion to \$51.50 billion.
- The median revenue multiple remained constant at 2.1x. The median EBITDA multiple improved from 12.0x in 2013 to 13.7x in 2014.
- In terms of secondary buyouts, or transactions completed between private equity firms, deal volume in 2014 increased by 39 percent over 2013. This marked a return to its 2012 level.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,519 private equity transactions in the Information Industry between 2012 and 2014, of which 341 disclosed financial terms, and calculated the aggregate value to be \$109.40 billion. Based on known transaction values, we project values of 1,178 undisclosed transactions to be \$27.88 billion, totaling \$137.28 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 2.1x revenue and 10.9x EBITDA.

M&A Market Dynamics

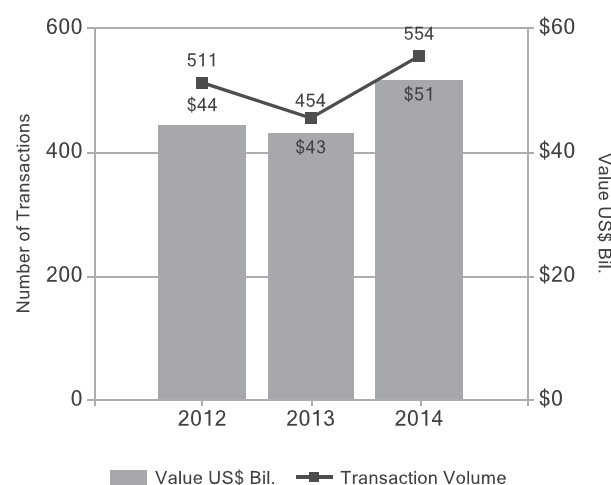


Figure 1. 2012-2014 value and volume comparison.

Median Enterprise Value Multiples

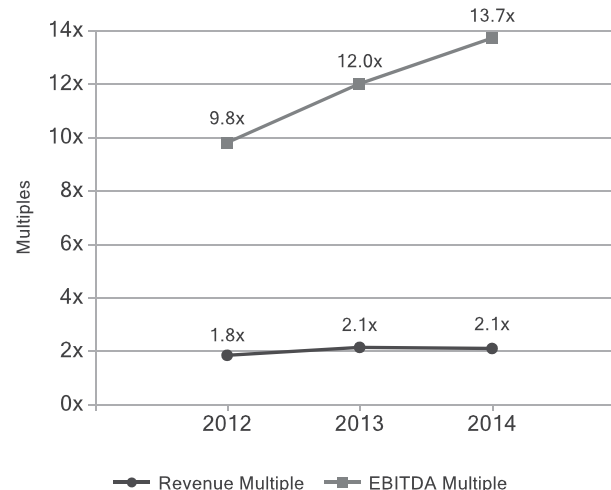


Figure 2. 2012-2014 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2014 – December 31, 2014

Bell Curve - Histogram

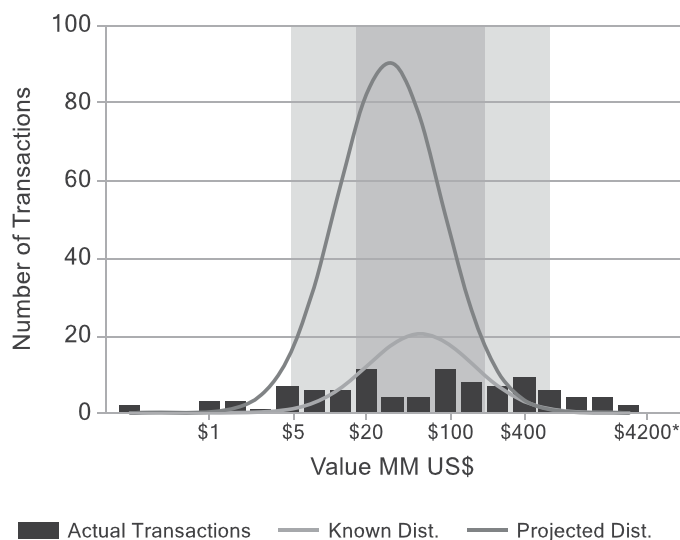


Figure 3. Shows distribution of private equity transactions in the Information Industry based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$20.1 million to \$244.7 million. Based on this data, we estimate the total transaction value of deals done in 2014 at \$51.5 billion.

* Indicates largest transaction in the industry from Jan. 1, 2014 to Dec. 31, 2014.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	2	0	2	2 %	2 %
\$0.4	0	0	0	0 %	2 %
\$0.6	0	0	0	0 %	2 %
\$1.0	3	0	3	3 %	5 %
\$1.6	3	1	4	3 %	8 %
\$2.7	1	5	5	1 %	9 %
\$4.5	7	14	20	7 %	16 %
\$7.4	6	32	38	6 %	22 %
\$12.2	6	58	64	6 %	27 %
\$20.1	11	82	93	11 %	38 %
\$33.1	4	90	94	4 %	42 %
\$54.6	4	77	80	4 %	46 %
\$90.0	11	51	62	11 %	57 %
\$148.4	8	26	34	8 %	65 %
\$244.7	7	11	17	7 %	72 %
\$403.4	9	3	12	9 %	80 %
\$665.1	6	1	6	6 %	86 %
\$1,096.6	4	0	4	4 %	90 %
\$1,808.0	4	0	4	4 %	94 %
\$2,981.0	2	0	2	2 %	96 %
Total #	102	452	554		
Total \$ Value	\$37,468	\$14,028	\$51,496		
Middle 3rd of Industry		Middle 2/3rds of Industry			

Figure 4. Presents the data depicted in the bell curve histogram. **Note:** The projected number column is rounded as a result of the projection and may produce insignificant errors in the total sum.

M&A Dynamics by Acquirer Type :: January 1, 2014 – December 31, 2014

M&A Dynamics by Transaction Type and Industry

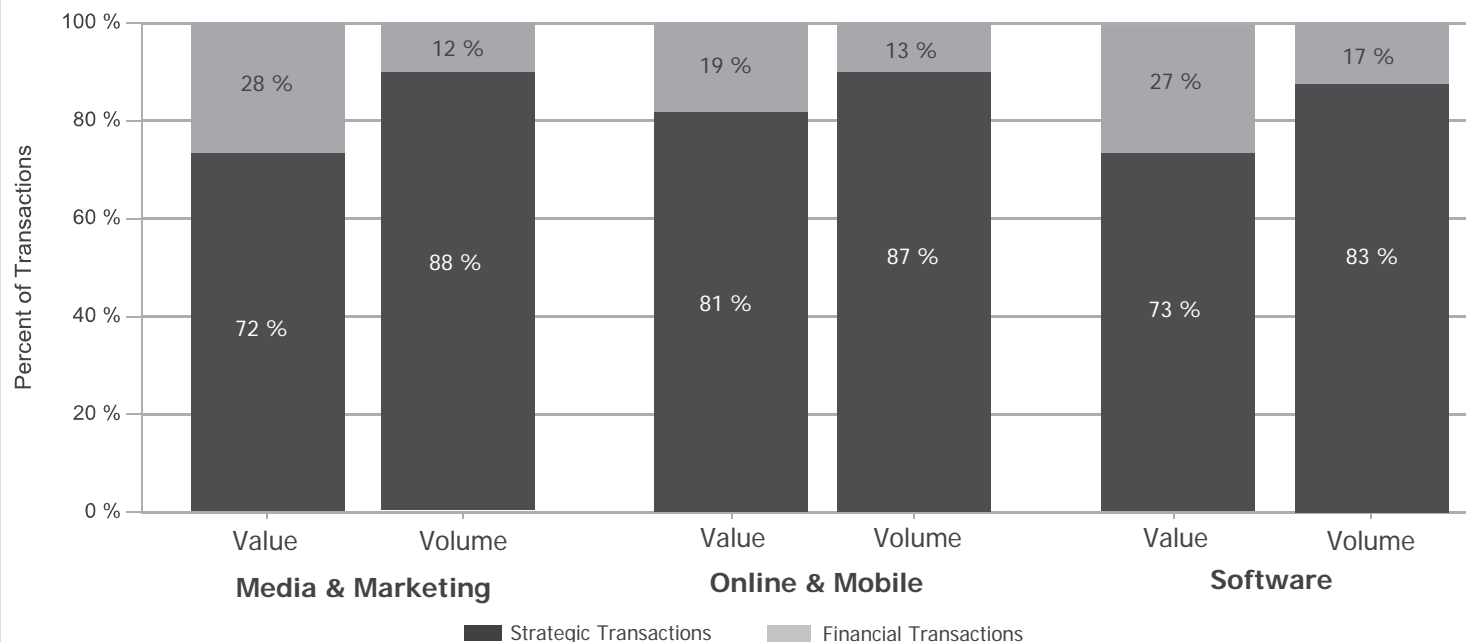


Figure 5. Presents the transaction volume by target segment for private equity transactions in the Information Industry.

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

Purchaser Analysis

Top Ten Notable Transactions 2014

Deal Date	Target Name	Buyer	Value MM US\$
06/16/14	Advantage Sales and Marketing	Leonard Green & Partners, L.P., CVC Capital Partners	\$4,200
09/29/14	TIBCO Software Inc.	Vista Equity Partners	\$4,110
03/03/14	Catalina	Berkshire Partners LLC	\$2,500
03/14/14	SkillSoft Limited	Charterhouse Capital Partners	\$2,300
09/02/14	Compuware Corporation	Thoma Bravo, LLC	\$2,052
01/21/14	Trader Media Group	Apax Partners	\$1,926
12/01/14	IPC Information Systems, LLC	Centerbridge Capital Partners	\$1,200
11/25/14	Advanced Computer Software Group plc	Vista Equity Partners	\$1,114
03/13/14	Renaissance Learning, Inc.	Hellman & Friedman LLC	\$1,100
06/03/14	Internet Brands, Inc.	Kohlberg Kravis Roberts & Co.	\$1,100
2014 Aggregate Transaction Value			\$51,496
Top 10 Aggregate Transaction Value			\$21,602
Top 10 Aggregate Value as a Percentage of All Transactions			42 %

Figure 6. Lists the top ten transactions for 2014 and calculates their aggregate transaction value as a percentage of the 2014 total aggregate transaction value as shown on 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

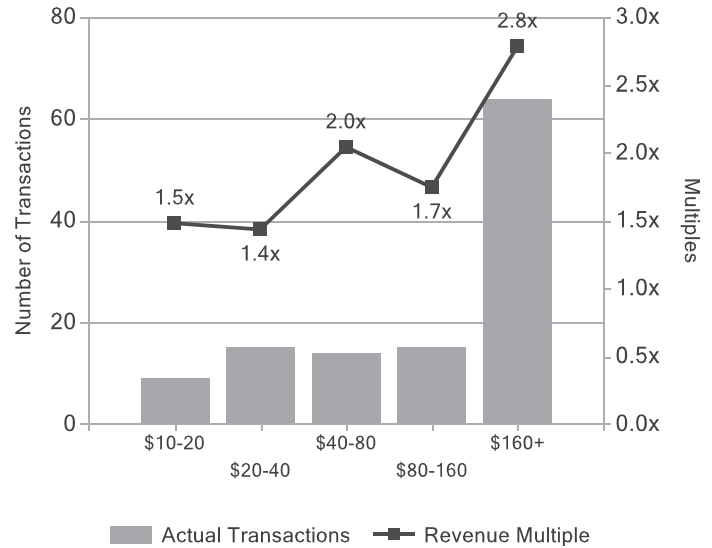


Figure 7. Presents the median enterprise value/revenue multiples paid for private equity transactions in the Information Industry from Jan. 1, 2012 to Dec. 31, 2014 based on publicly available sales price and revenue data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

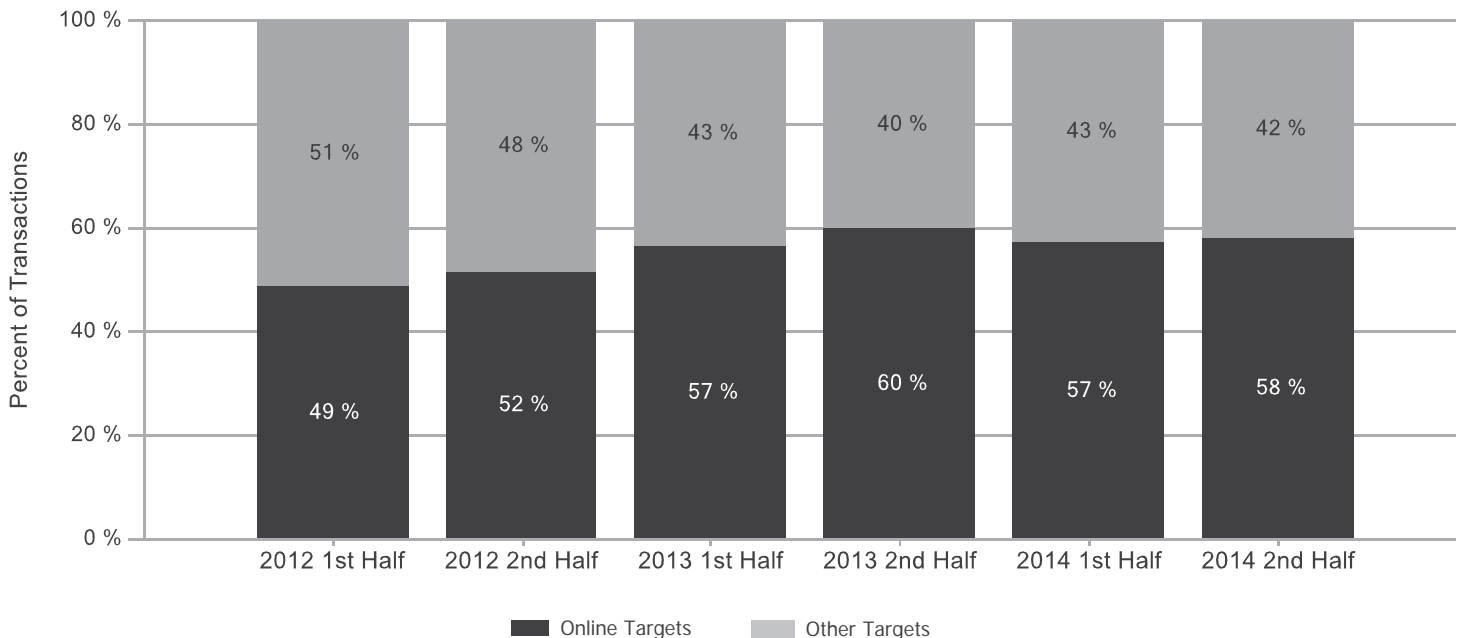


Figure 8. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by Half Year from 2012-2014.

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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.

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RECENT FINANCIALLY SPONSORED TRANSACTIONS

asentinel

HAS BEEN ACQUIRED BY

MARLIN EQUITY
PARTNERS

ROCKBRIDGE
GROWTH EQUITY

HAS ACQUIRED

Robb Report

EBIX

HAS ACQUIRED

Oakstone

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INVESTMENT PARTNERS
SINCE 1983

HEARTBEAT
EXPERTS

HAS BEEN ACQUIRED BY

TRUVEN
HEALTH ANALYTICS

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Partners

HiSoftware

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CLAIM SCIENCE

HAS BEEN ACQUIRED BY

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Market Data Expertise that FITS

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