

INFORMATION INDUSTRY

The Production and Provision of Content

FULL YEAR 2015 :: Mergers and Acquisitions Trend Report

2015 KEY HIGHLIGHTS

- The largest transaction in 2015 was Dell, Inc.'s announced acquisition of EMC Corporation, a provider of cloud computing, data storage and other infrastructure technologies, for \$67.48 billion. This was the highest value deal ever recorded in the industry.
- Strategic acquisitions represented 86 percent of total volume and 78 percent of total value, respectively.

2015 KEY TRENDS

- Total transaction volume in 2015 increased by nine percent over 2014, from 3,982 to 4,360.
- As for the industry's horizontal markets, Online & Mobile had the largest rise in volume with a 12 percent increase.
- Total transaction value in 2015 improved by 49 percent over 2014, from \$230.81 billion to \$342.78 billion. Excluding the EMC Corporation deal, aggregate value gained 19 percent.
- The median revenue multiple declined from 2.3x in 2014 to 2.1x in 2015. The median EBITDA multiple decreased from 11.5x in 2014 to 10.7x in 2015.

M&A MARKET OVERVIEW

Berkery Noyes tracked 11,997 Information Industry transactions between 2013 and 2015, of which 2,693 disclosed financial terms, and calculated the aggregate value to be \$553.62 billion. Based on known transaction values, we project values of 9,304 undisclosed transactions to be \$177.87 billion, totaling \$731.49 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 11.1x EBITDA.

Out of 11,997 deals tracked by Berkery Noyes between 2013 and 2015, transactions valued at \$160 million and above garnered a median enterprise value multiple of 3.3x revenue. In contrast, companies with transaction values between \$10 million and \$20 million captured a median enterprise value multiple of 2.1x revenue.

M&A Market Dynamics

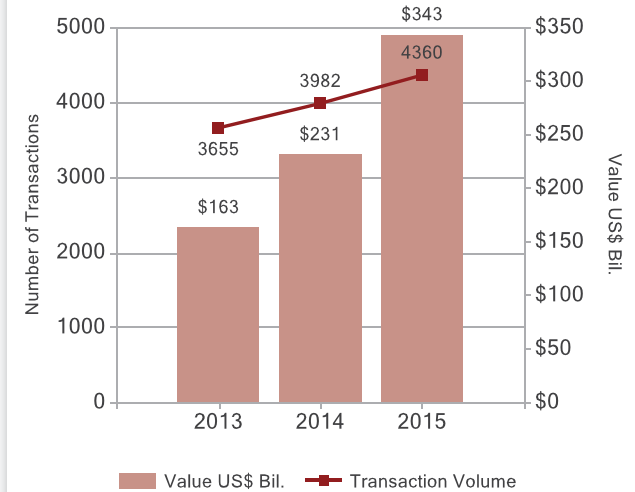


Figure 1. 2013-2015 value and volume comparison.

Median Enterprise Value Multiples

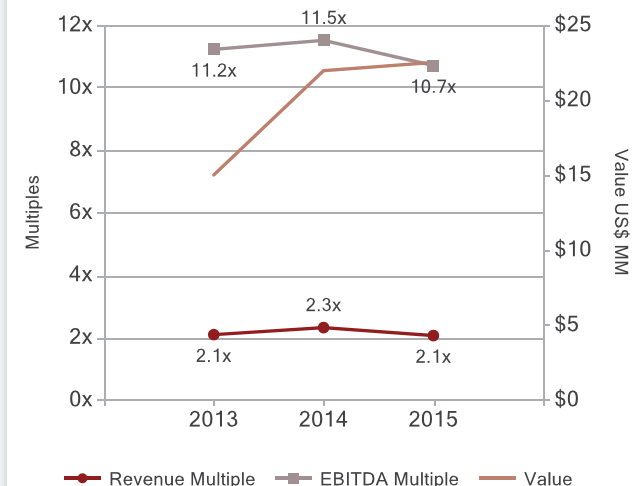


Figure 2. 2013-2015 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2015 – December 31, 2015

Bell Curve - Histogram

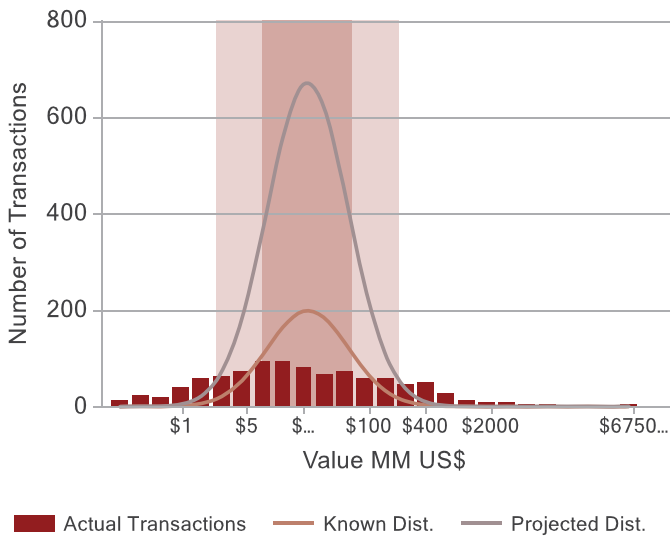


Figure 3. Shows the distribution of Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 billion to \$54.6 billion. Based on this data, we estimate the total transaction value of deals done in 2015 at \$342.8 billion.

* Indicates largest transaction in the industry from Jan. 1, 2015 to Dec. 31, 2015.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	14	0	14	1 %	1 %
\$0.4	24	0	24	2 %	4 %
\$0.6	21	1	21	2 %	6 %
\$1.0	40	5	45	4 %	10 %
\$1.6	59	22	81	6 %	16 %
\$2.7	62	72	134	6 %	22 %
\$4.5	73	184	256	7 %	29 %
\$7.4	94	362	456	9 %	39 %
\$12.2	93	557	650	9 %	48 %
\$20.1	82	667	748	8 %	56 %
\$33.1	66	622	687	7 %	63 %
\$54.6	75	451	526	8 %	71 %
\$90.0	59	255	314	6 %	76 %
\$148.4	57	112	169	6 %	82 %
\$244.7	46	39	84	5 %	87 %
\$403.4	51	10	61	5 %	92 %
\$665.1	26	2	28	3 %	94 %
\$1,096.6	14	0	14	1 %	96 %
\$1,808.0	8	0	8	1 %	97 %
\$2,981.0	9	0	9	1 %	98 %
\$4,914.8	4	0	4	0 %	98 %
\$8,103.1	1	0	1	0 %	98 %
\$13,359.7	0	0	0	0 %	98 %
\$22,026.5	0	0	0	0 %	98 %
\$36,315.5	0	0	0	0 %	98 %
\$59,874.1	1	0	1	0 %	98 %
Total #	997	3363	4360		
Total \$ Value	\$267,401	\$75,376	\$342,777		
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

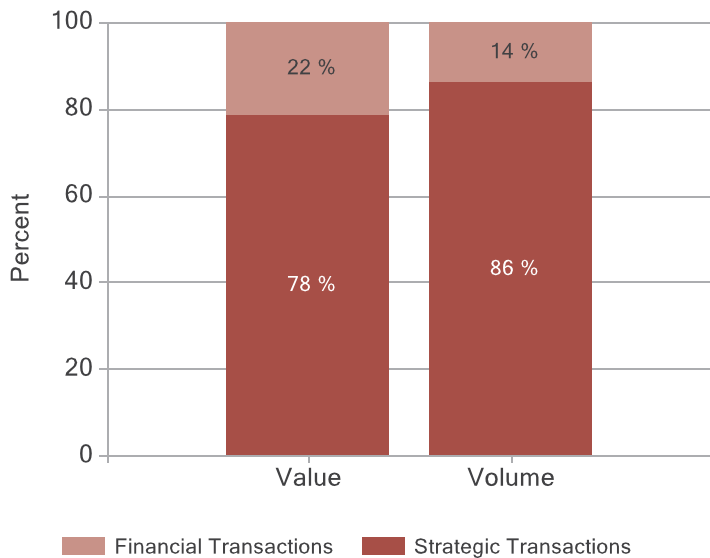


Figure 5. 2015 value and volume comparison by acquirer type.

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

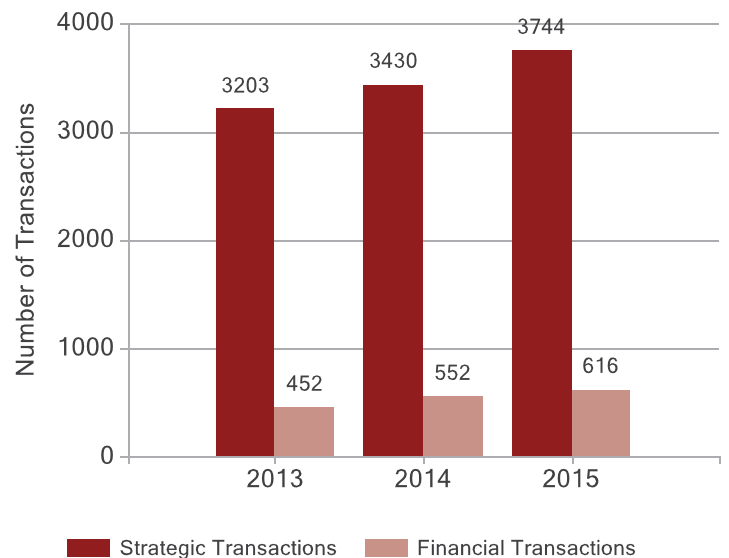


Figure 6. 2013-2015 acquirer type comparison by year.

Purchaser Analysis

Top Ten Notable Transactions 2015

Deal Date	Target Name	Buyer	Value MM US\$
10/12/15	EMC Corporation	Dell, Inc.	\$67,484
12/18/15	Qihoo 360 Technology Co. Ltd	Qihoo 360 Consortium	\$8,284
08/11/15	Veritas Technologies Corporation	Carlyle Group	\$8,000
10/26/15	Interactive Data Corporation	Intercontinental Exchange, Inc.	\$7,450
09/14/15	Solera Holdings, Inc.	Vista Equity Partners	\$6,246
11/03/15	King Digital Entertainment plc	Activision Blizzard	\$5,900
04/07/15	Informatica Corp.	Permira, CPP Investment Board	\$4,769
10/21/15	SolarWinds	Thoma Bravo, LLC, Silver Lake Partners	\$4,380
06/15/15	Dealertrack Technologies	Cox Automotive, Inc.	\$4,362
05/12/15	AOL Inc.	Verizon Communications	\$4,126
2015 Aggregate Transaction Value			\$342,777
Top 10 Aggregate Transaction Value			\$121,000
Top 10 Aggregate Value as a Percentage of All Transactions			35 %

Figure 7. Lists the top ten transactions for 2015 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

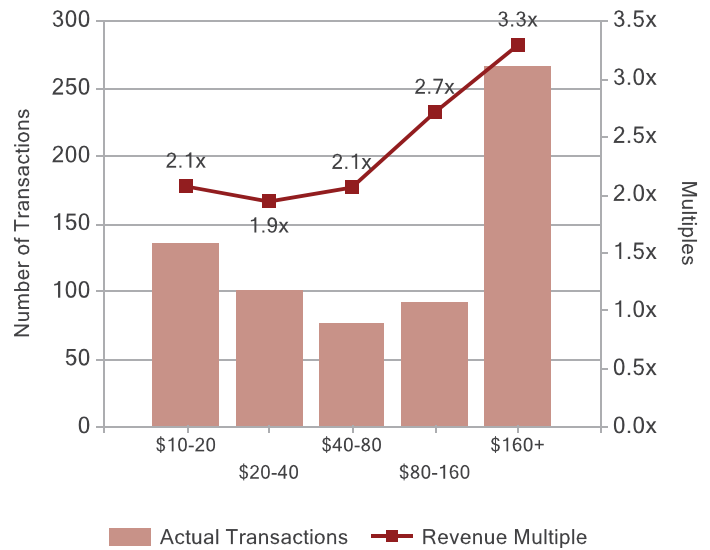


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from Jan. 1, 2013 to Dec. 31, 2015 based on publicly available data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

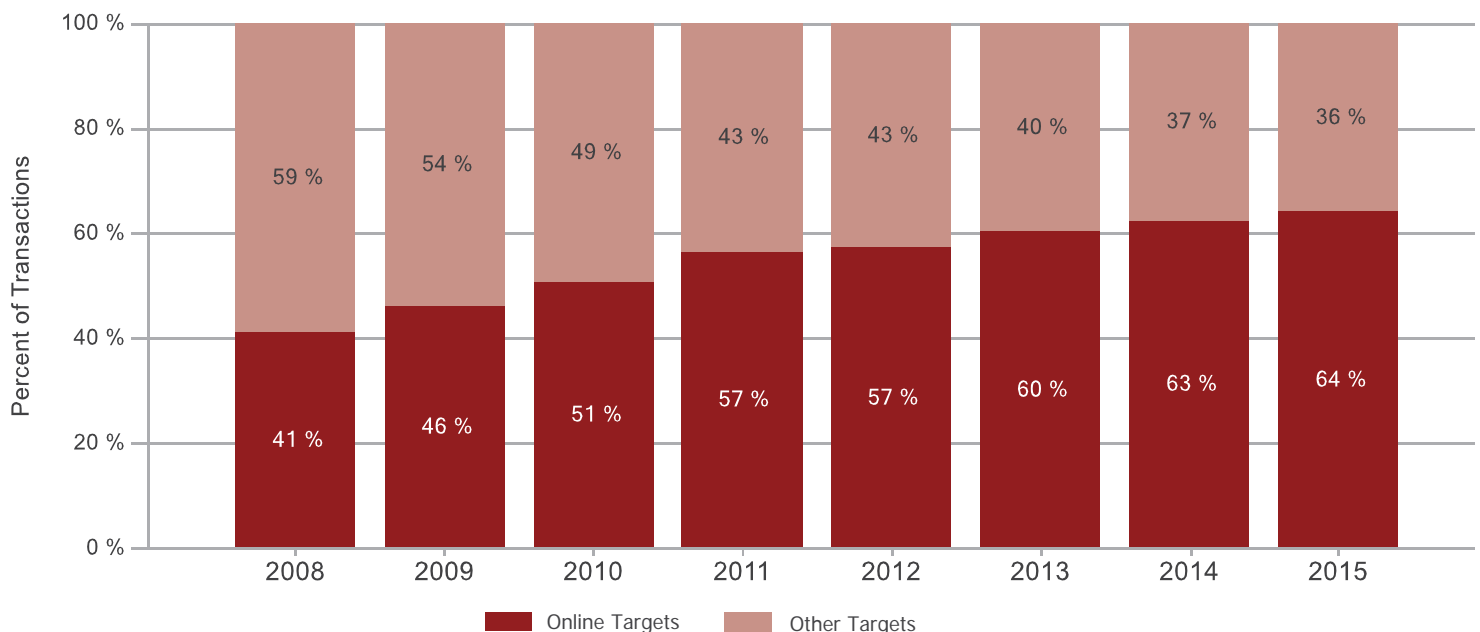


Figure 9. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by year from 2008-2015.

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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. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

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HAS ACQUIRED

A SUBSIDIARY OF

HAS ACQUIRED

HAS COMPLETED A RECAPITALIZATION OF ITS BUSINESS

HAS ACQUIRED MAJORITY OWNERSHIP FROM ITS OTHER CURRENT INVESTORS

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HAS ACQUIRED

Wilmington plc

HAS ACQUIRED

HAS ACQUIRED

Family Education Network including

and other select assets from

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HAS ACQUIRED THE EDUCATION TECHNOLOGY EVENTS

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