



## PRIVATE EQUITY INDUSTRY

### *Financially Sponsored Transactions within the Information Industry*

## FULL YEAR 2015 :: Mergers and Acquisitions Trend Report

### 2015 KEY HIGHLIGHTS

- Three of the industry's top five largest transactions in 2015 occurred in the Infrastructure Software segment.
- This consisted of The Carlyle Group's announced acquisition of Veritas Technologies Corporation, a storage and server management software solutions business, for \$8 billion; Permira and CPP Investment Board's acquisition of Informatica, a provider of enterprise data integration software and services, for \$4.77 billion; and Thoma Bravo and Silver Lake Partners' announced acquisition of SolarWinds, an IT management software and monitoring company, for \$4.38 billion.

### 2015 KEY TRENDS

- Total transaction volume in 2015 increased by 12 percent over 2014, from 552 to 619.
- Total transaction value in 2015 gained by 23 percent over 2014, from \$52.79 billion to \$64.90 billion.
- The median revenue multiple improved from 1.9x in 2014 to 2.3x in 2015. The median EBITDA multiple rose from 12.4x in 2014 to 15.2x in 2015.
- In terms of secondary buyouts, or transactions completed between private equity firms, deal volume in 2015 remained about constant compared to 2014. However, this represented an improvement of 40 percent relative to 2013.

### M&A MARKET OVERVIEW

Berkery Noyes tracked 1,623 private equity transactions in the Information Industry between 2013 and 2015, of which 305 disclosed financial terms, and calculated the aggregate value to be \$120.60 billion. Based on known transaction values, we project values of 1,318 undisclosed transactions to be \$37.04 billion, totaling \$157.64 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 12.9x EBITDA.

#### M&A Market Dynamics

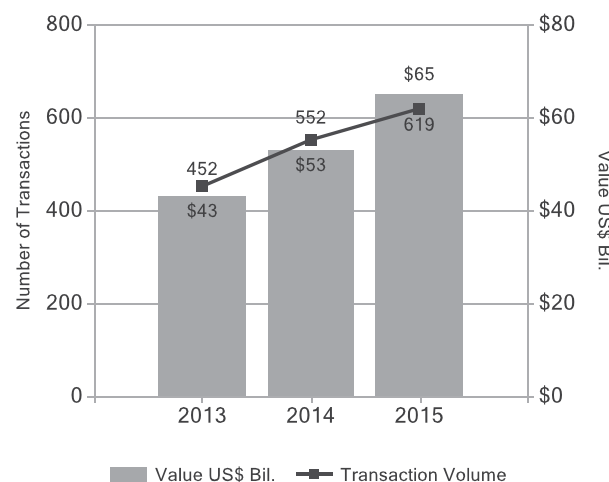


Figure 1. 2013-2015 value and volume comparison.

#### Median Enterprise Value Multiples

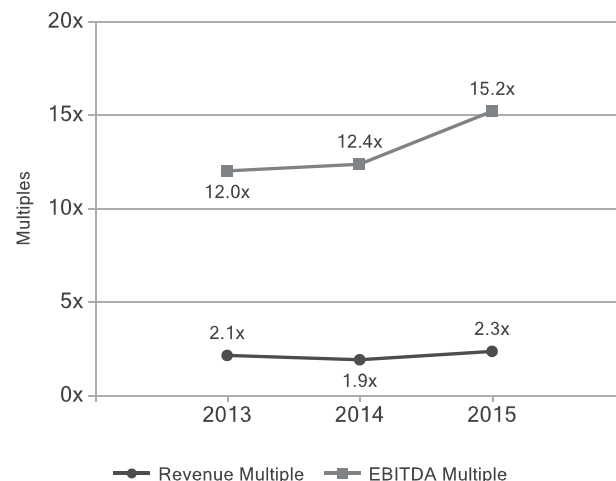
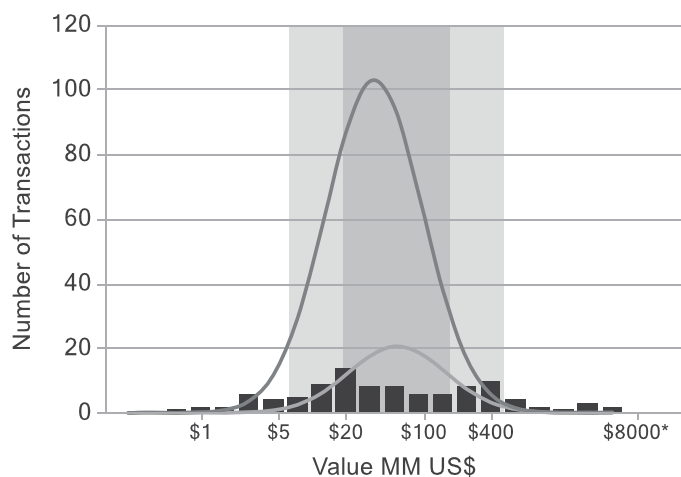


Figure 2. 2013-2015 median revenue and EBITDA comparison.

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

## Bell Curve - Histogram



■ Actual Transactions — Known Dist. — Projected Dist.

**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 2015 at \$64.9 billion.

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

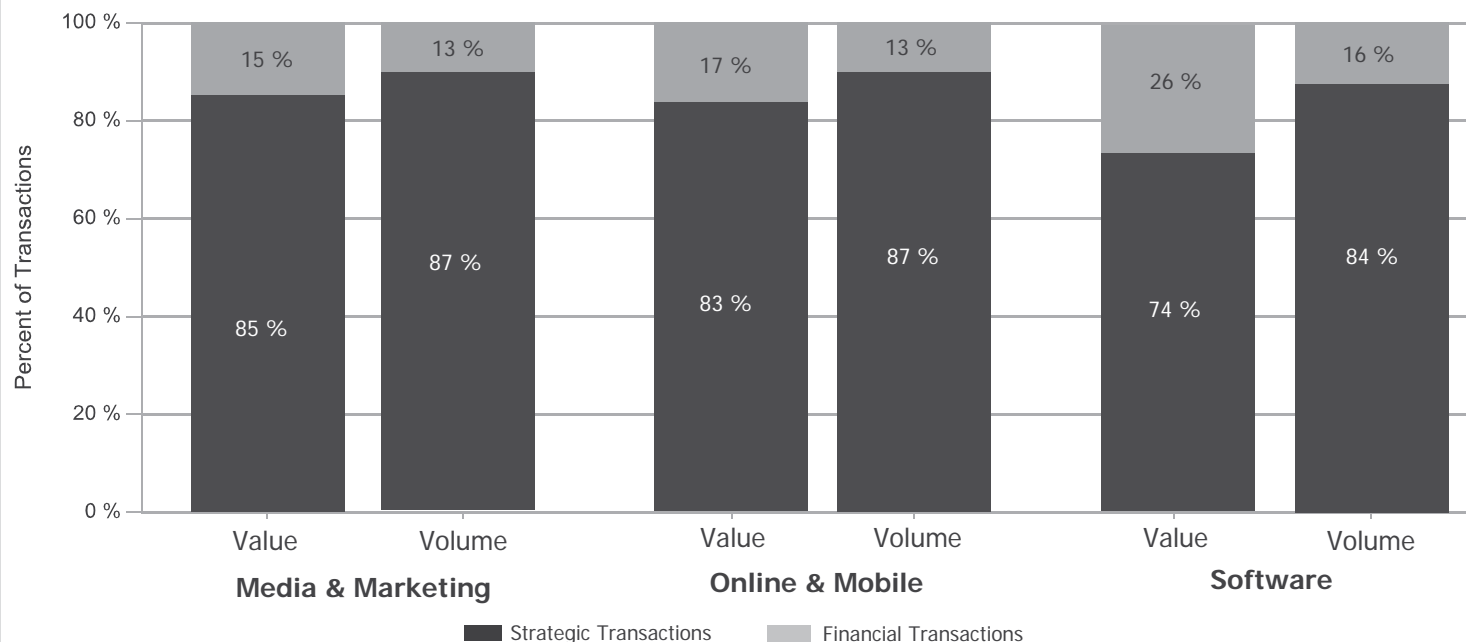
## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	0	0	0	0 %	0 %
\$0.6	1	0	1	1 %	1 %
\$1.0	2	0	2	2 %	3 %
\$1.6	2	1	2	2 %	5 %
\$2.7	6	4	9	6 %	11 %
\$4.5	4	12	15	4 %	15 %
\$7.4	5	29	34	5 %	19 %
\$12.2	9	57	66	9 %	28 %
\$20.1	14	87	100	14 %	42 %
\$33.1	8	103	110	8 %	50 %
\$54.6	8	94	102	8 %	57 %
\$90.0	6	68	73	6 %	63 %
\$148.4	6	38	43	6 %	69 %
\$244.7	8	16	24	8 %	77 %
\$403.4	10	6	15	10 %	86 %
\$665.1	4	1	5	4 %	90 %
\$1,096.6	2	0	2	2 %	92 %
\$1,808.0	1	0	1	1 %	93 %
\$2,981.0	3	0	3	3 %	96 %
\$4,914.8	2	0	2	2 %	98 %
Total #	103	516	619		
Total \$ Value	\$46,304	\$18,596	\$64,900		
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 and may produce insignificant errors in the total sum.

# M&A Dynamics by Acquirer Type :: January 1, 2015 – December 31, 2015

## 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

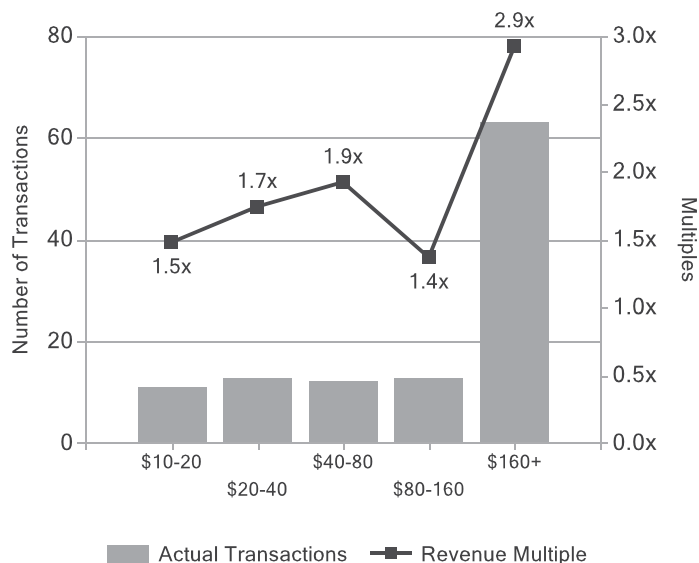
### Top Ten Notable Transactions 2015

Deal Date	Target Name	Buyer	Value MM US\$
08/11/15	Veritas Technologies Corporation	Carlyle Group	\$8,000
09/14/15	Solera Holdings, Inc.	Vista Equity Partners	\$6,246
04/07/15	Informatica Corp.	Permira, CPP Investment Board	\$4,769
10/21/15	SolarWinds	Thoma Bravo, LLC, Silver Lake Partners	\$4,380
08/14/15	Ellucian	TPG Capital, Leonard Green & Partners, L.P.	\$3,500
03/10/15	Blue Coat Systems, Inc.	Bain Capital	\$2,400
12/07/15	TeamSystem SpA	Hellman & Friedman LLC	\$1,272
04/20/15	Cirque du Soleil	TPG Capital	\$1,222
09/10/15	PGI, Inc.	Siris Capital Group	\$979
07/16/15	eBay Enterprise	Sterling Partners, Permira, Innotrac Corporation, Longview Asset Management	\$925
2015 Aggregate Transaction Value			\$64,900
Top 10 Aggregate Transaction Value			\$33,693
Top 10 Aggregate Value as a Percentage of All Transactions			52 %

**Figure 6.** Lists the top ten transactions for 2015 and calculates their aggregate transaction value as a percentage of the 2015 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.

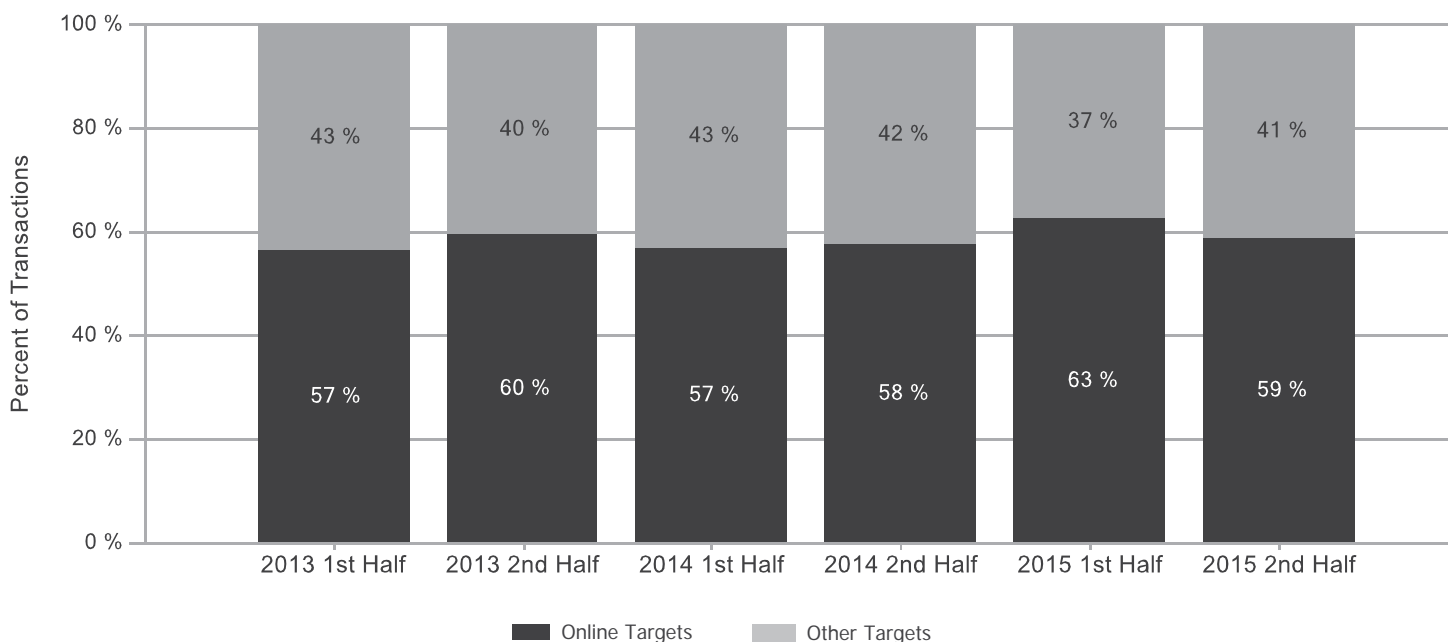
### Median EV/Revenue Multiples By Size



**Figure 7.** Presents the median enterprise value/revenue multiples paid for private equity transactions in the Information Industry from Jan. 1, 2013 to Dec. 31, 2015 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 2013-2015.

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*Chief Information Officer*



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.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at [www.mandasoft.com](http://www.mandasoft.com)

## RECENT FINANCIALLY SPONSORED TRANSACTIONS

LEEDS | Equity Partners

HAS ACQUIRED

PROJECT MANAGEMENT ACADEMY

The Wellness Network

A SUBSIDIARY OF



HAS BEEN ACQUIRED BY

WAFRA  
PARTNERS

HMP COMMUNICATIONS  
HOLDINGS, LLC

HAS COMPLETED A RECAPITALIZATION  
OF ITS BUSINESS

SGE  
SUSQUEHANNA  
GROWTH EQUITY, LLC

HAS ACQUIRED MAJORITY OWNERSHIP FROM  
ITS OTHER CURRENT INVESTORS

Alta Equity Partners

Antares Capital

APTEAN

A PORTFOLIO COMPANY OF



Vista Equity Partners

HAS ACQUIRED

medworxx

EMERALD  
EXPOSITIONS  
A PORTFOLIO COMPANY OF  
ONEX

HAS ACQUIRED

healthcare  
design

EFA  
CONSTRUCTION  
SUPERCONFERENCE

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MARLIN EQUITY  
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