

## SOFTWARE INDUSTRY

### Q1 2015 :: Mergers and Acquisitions Trend Report

Software transaction volume experienced an uptick over the past three months, from 460 to 464. Deal value rose 21 percent, from \$18.7 billion in Q4 2014 to \$22.6 billion in Q1 2015. The top ten largest transactions accounted for 42 percent of the industry's total value in Q1 2015, as opposed to 64 percent in Q1 2014.

Deal volume in the Niche Software segment, which is targeted to specific vertical markets, increased 12 percent during Q1 2015. Five of the overall industry's top ten highest value deals occurred in the segment. Of note, four of these five transactions were located in the Finance vertical. This consisted of SS&C Technologies' acquisition of Advent Software, a provider of portfolio management software, for \$2.7 billion; Davis + Henderson's acquisition of FundTech, a payments and transaction banking software company, for \$1.3 billion; Bridgepoint's acquisition eFront SA, which offers software solutions focused on alternative investments and risk management, for \$327 million; and PayPal's acquisition of Paydiant, a cloud-based payment processor, for \$280 million.

The Business Software segment, which consists of software designed for general business practices and not specific industry markets, saw a five percent decrease in transaction volume throughout the past three months. This followed a 14 percent rise in Q4 2014, its highest point over the last five quarters.

Infrastructure Software volume declined 11 percent in Q1 2015. However, this marked a 31 percent gain relative to Q1 2014. The overall industry's largest deal year-to-date was Bain Capital's acquisition of enterprise security business Blue Coat Systems for \$2.4 billion. This was the only Infrastructure deal in the list of top ten largest transactions during the quarter. An investor group led by Thoma Bravo previously took Blue Coat private in 2011 for \$1.1 billion.

#### M&A Market Dynamics By Quarter

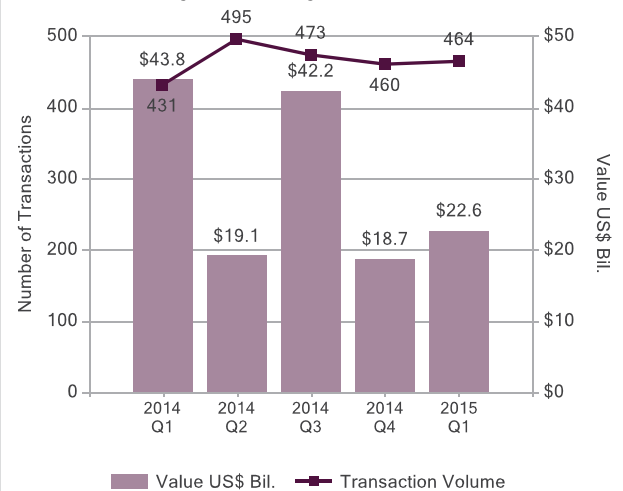


Figure 1. 2014-2015 value and volume comparison by quarter.

#### Top Ten Notable Transactions Q1 2015

Deal Date	Target Name	Buyer	Value MM US\$
01/28/15	Advent Software, Inc.	SS&C Technologies, Inc.	\$2,700
03/10/15	Blue Coat Systems, Inc.	Bain Capital	\$2,400
03/30/15	FundTech, Ltd.	Davis + Henderson Corporation	\$1,250
03/24/15	Kofax, Inc.	Lexmark International, Inc.	\$955
03/02/15	Mavenir Systems, Inc.	Mitel Networks Corporation	\$560
02/13/15	SkyMoons.com	Geeya Technology Co., Ltd.	\$353
02/13/15	Blingstorm Entertainment Ltd.	Ourpalm Co., Ltd	\$343
01/28/15	eFront SA	Bridgepoint	\$327
03/02/15	Paydiant	PayPal, Inc.	\$280
02/05/15	E2Open, Inc.	Insight Venture Partners	\$273

2015 Aggregate Transaction Value \$22,647

Top 10 Aggregate Transaction Value \$9,440

Top 10 Aggregate Value as a Percentage of All Transactions 42 %

Figure 2. Lists the top ten transactions for Q1 2015 and calculates their value as a percentage of the aggregate transaction value as shown in Figure 1.

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

#### Transactions By Market Segment

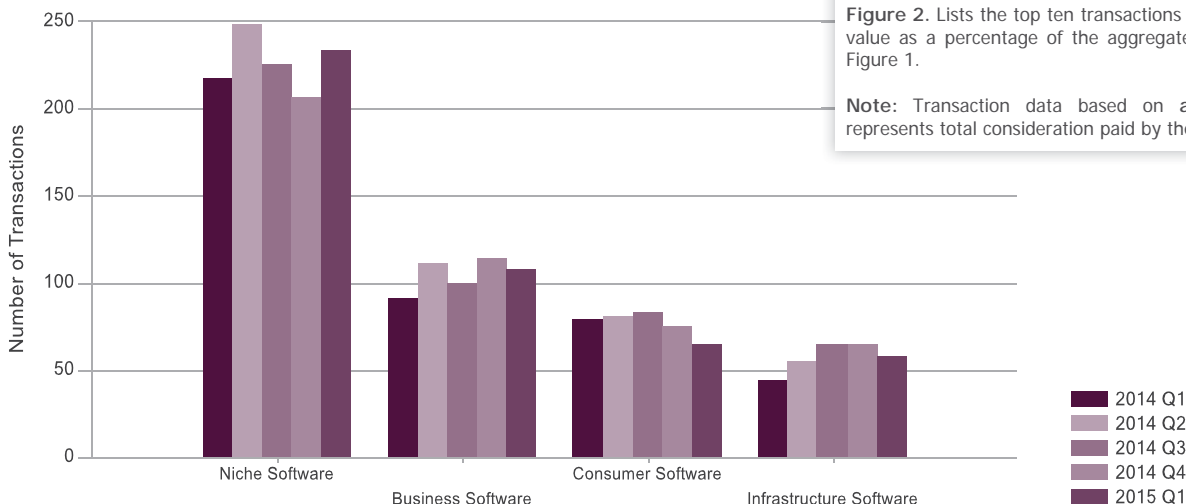


Figure 3. Presents transaction volume by target segment within the Software Industry from January 1, 2014 through March 31, 2015.

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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.

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)

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