



PRIVATE EQUITY INFORMATION INDUSTRY

Financially Sponsored Transactions within the Information Industry

1ST HALF 2016 :: Mergers and Acquisitions Trend Report

1ST HALF 2016 KEY HIGHLIGHTS

- The largest deal in 1st Half 2016 was Thoma Bravo's announced acquisition of Qlik Technologies, Inc., a provider of business intelligence software and data visualization solutions, for \$2.58 billion.
- Vista Equity Partners was responsible for two of the industry's top three highest value transactions year-to-date. This consisted of Vista Equity's announced acquisition of Marketo, Inc., an automated marketing software company, for \$1.62 billion; and Cvent, Inc., a cloud-based enterprise event management business, for \$1.34 billion.

1ST HALF 2016 KEY TRENDS

- Total transaction volume in 1st Half 2016 increased ten percent over 2nd Half 2015, from 300 to 329.
- Total transaction value in 1st Half 2016 declined by 46 percent over 2nd Half 2015, from \$38.42 billion to \$20.81 billion. Of note, seven of the industry's top ten largest deals last year occurred during the 2nd Half 2015.
- The median revenue multiple improved from 1.7x in 2nd Half 2015 to 2.7x in 1st Half 2016. Median transaction value remained nearly constant during this timeframe.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,508 private equity transactions between 2014 and 1st Half 2016, of which 268 disclosed financial terms, and calculated the aggregate transaction value to be \$99.87 billion. Based on known transaction values, we project values of 1,240 undisclosed transactions to be \$38.04 billion, totaling \$137.91 billion worth of transactions tracked over the past two and a half years.

Disclosed median revenue multiple for all segments combined in this report in the last 30 months were 2.3x revenue and 11.6x EBITDA.

Transactions between 2014 and 1st 2016 with enterprise values above \$160 million received a median revenue multiple of 1.5x, whereas those in the \$10-\$20 million range had a median revenue multiple of 3.1x.

M&A Market Dynamics By Half Year

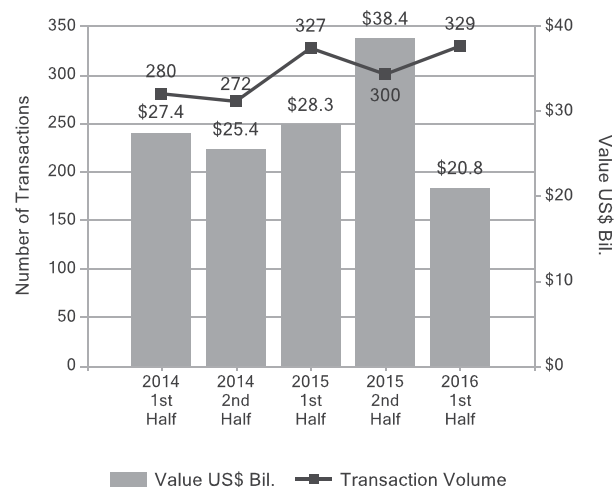


Figure 1. 2014-2016 value and volume comparison.

Median Enterprise Value Multiples By Half Year

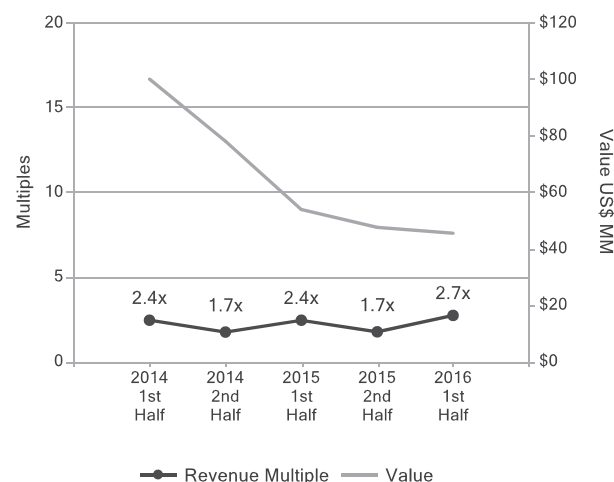


Figure 2. 2014-2016 median: revenue and value comparison.

Transaction Analysis :: January 1, 2016 – June 30, 2016

Bell Curve - Histogram - 1st Half

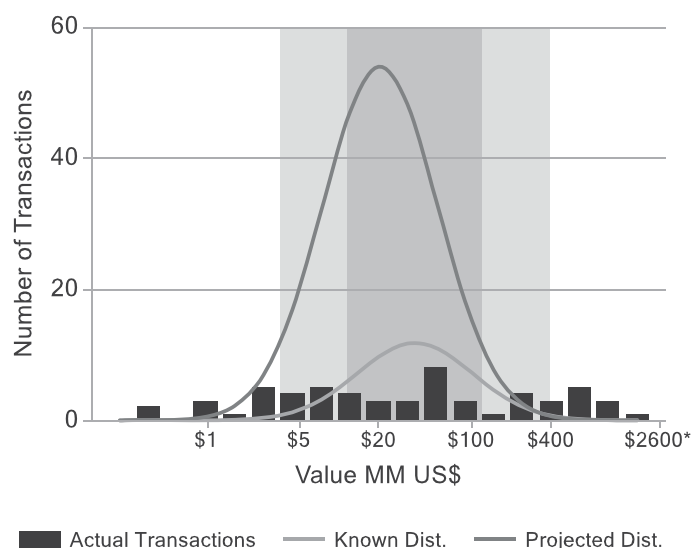


Figure 3. Shows the distribution of private equity transactions in the Information Industry based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$12.2 million to \$90.0 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2016 at \$20.8 billion.

* Indicates largest transaction in the industry from Jan. 1, 2016 to June 30, 2016.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	2	0	2	3 %	3 %
\$0.6	0	0	0	0 %	3 %
\$1.0	3	1	3	5 %	8 %
\$1.6	1	2	3	2 %	10 %
\$2.7	5	7	11	8 %	19 %
\$4.5	4	17	20	7 %	25 %
\$7.4	5	32	36	8 %	34 %
\$12.2	4	47	50	7 %	41 %
\$20.1	3	54	56	5 %	46 %
\$33.1	3	48	51	5 %	51 %
\$54.6	8	34	41	14 %	64 %
\$90.0	3	18	21	5 %	69 %
\$148.4	1	8	8	2 %	71 %
\$244.7	4	3	6	7 %	78 %
\$403.4	3	1	3	5 %	83 %
\$665.1	5	0	5	8 %	92 %
\$1,096.6	3	0	3	5 %	97 %
\$1,808.0	1	0	1	2 %	98 %
Total #	59	270	329		
Total \$ Value	\$15,240	\$5,573	\$20,813		
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, 2016 – June 30, 2016

M&A Dynamics by Transaction Type and Industry

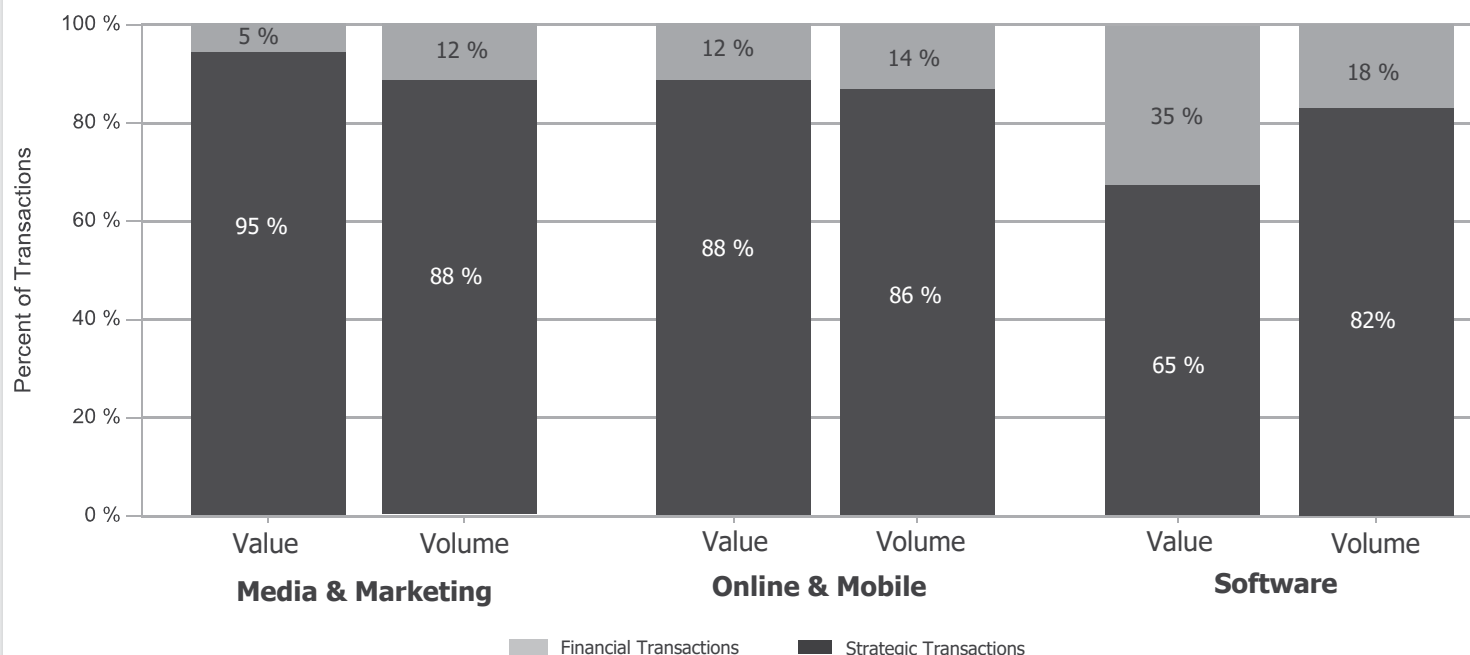


Figure 5. Presents the transaction volume by target segment for private equity transactions in the Information Industry. **Note:** Financially sponsored transactions include private equity backed strategic acquisitions.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2016

Deal Date	Target Name	Buyer	Value MM US\$
06/02/16	Qlik Technologies, Inc.	Thoma Bravo, LLC	\$2,577
05/31/16	Marketo, Inc.	Vista Equity Partners	\$1,624
04/18/16	Cvent, Inc.	Vista Equity Partners	\$1,342
04/15/16	J.D. Power & Associates	XIO Group	\$1,100
03/23/16	Netsmart Technologies, Inc.	Allscripts, GI Partners	\$950
05/25/16	MP & Silva Ltd.	Shanghai Jinxin Investment Advisory Partnership Co.	\$910
04/25/16	Verisk Health, Inc.	Veritas Capital Partners	\$820
06/24/16	Autoform	Astorg Partners	\$721
05/23/16	Xura, Inc.	Siris Capital Group	\$670
02/14/16	Diligent	Insight Venture Partners	\$624
2016 Aggregate Transaction Value			\$20,813
Top 10 Aggregate Transaction Value			\$11,338
Top 10 Aggregate Value as a Percentage of All Transactions			54 %

Figure 6. Lists the top ten transactions for 1st Half 2016 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

Median EV/Revenue Multiples By Size

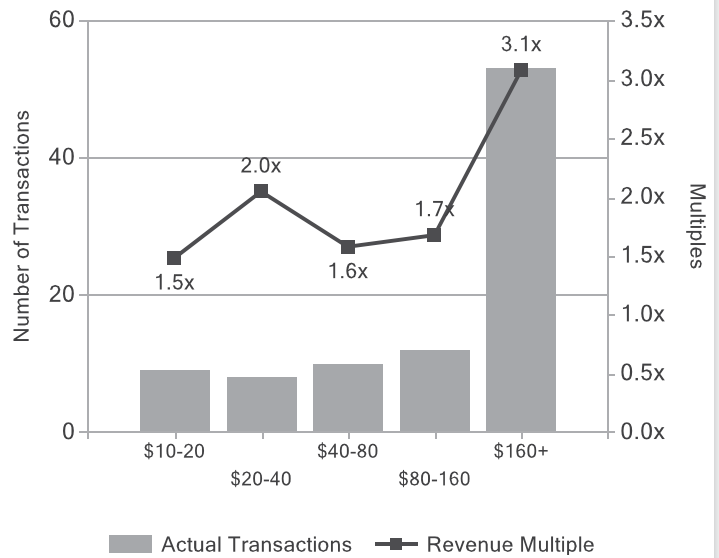


Figure 7. Presents the median enterprise value/revenue multiples paid for private equity transactions in the Information Industry from January 1, 2014 to June 30, 2016 based on publicly available data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

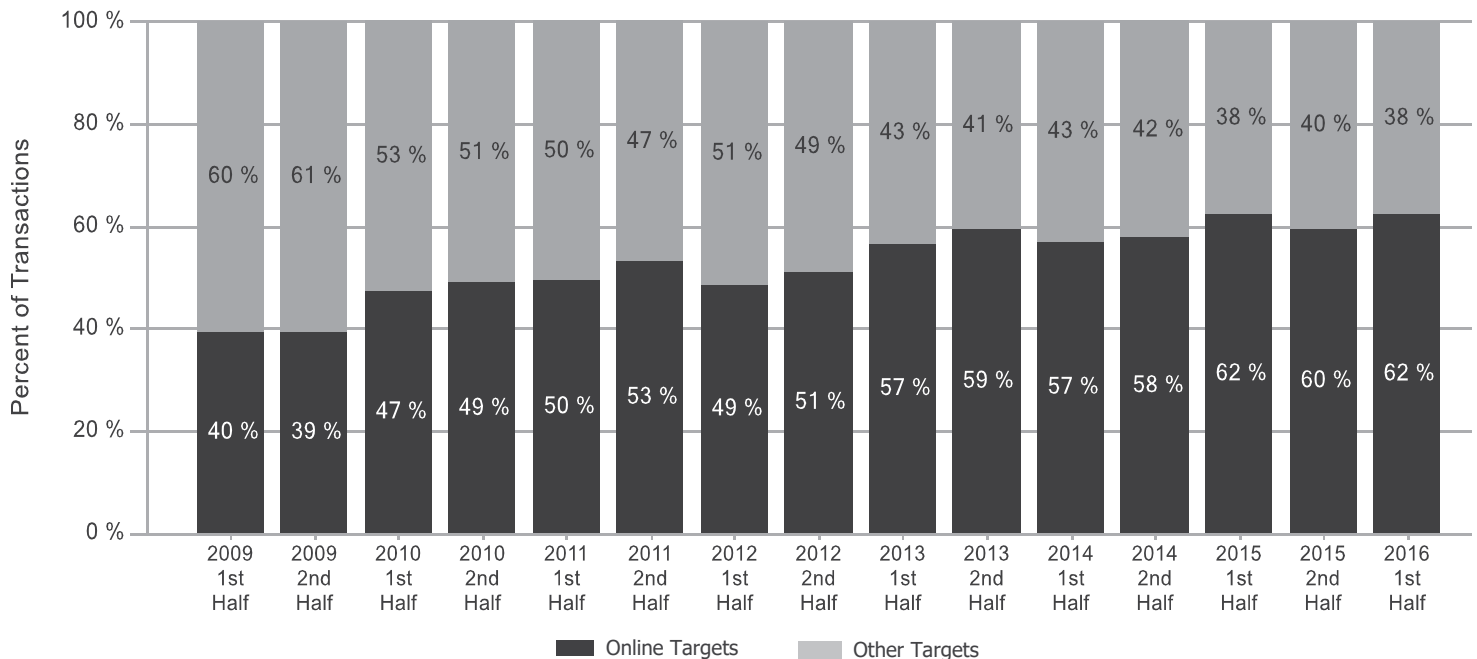


Figure 8. Percentage of total private equity transactions in the Information Industry where the target company conducts the majority of their business online. The total percentages are measured by half year from January 1, 2009 to June 30, 2016.

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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.

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