

## INFORMATION INDUSTRY

*The Production and Provision of Content*

### 1ST HALF 2016 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2016 KEY HIGHLIGHTS

- Each of the Information Industry's top ten highest value deals in 1st Half 2016 were completed by strategic acquirers. These ten acquisitions combined accounted for 46 percent of the industry's aggregate value year-to-date.
- There were 328 financially sponsored transactions with an aggregate value of \$25.39 billion, representing 15 percent of the total volume and 16 percent of the total value, respectively.

#### 1ST HALF 2016 KEY TRENDS

- Total transaction volume in 1st Half 2016 saw a slight uptick over 2nd Half 2015, from 2,207 to 2,234.
- As for the industry's horizontal markets, Online & Mobile deal volume rose by nine percent; Software volume improved by four percent; and Media & Marketing volume declined by seven percent.
- Total transaction value in 1st Half 2016 fell by 29 percent over 2nd Half 2015, from \$224.95 billion to \$158.98 billion. However, aggregate value gained 38 percent on a year-over-year basis.
- The median revenue multiple shifted from 2.0x to 2.1x, while the median EBITDA multiple declined from 12.3x to 11.3x.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 10,638 Information Industry transactions between 2014 and 1st Half 2016, of which 2,299 disclosed financial terms, and calculated the aggregate transaction value to be \$552.97 billion. Based on known transaction values, we project values of 8,339 undisclosed transactions to be \$176.79 billion, totaling \$729.76 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 2.1x revenue and 11.1x EBITDA.

Out of 10,638 transactions tracked by Berkery Noyes in this report, we found that 1,517 financially sponsored transactions accounted for 14 percent of the total transactions, yet they totaled \$171.81 billion, representing 24 percent of aggregate transaction value.

#### M&A Market Dynamics By Half Year

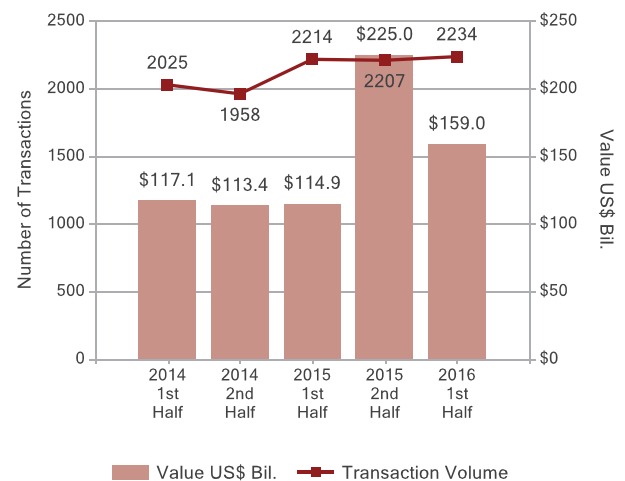


Figure 1. 2014-2016 value and volume comparison.

#### Median Enterprise Value Multiples By Half Year

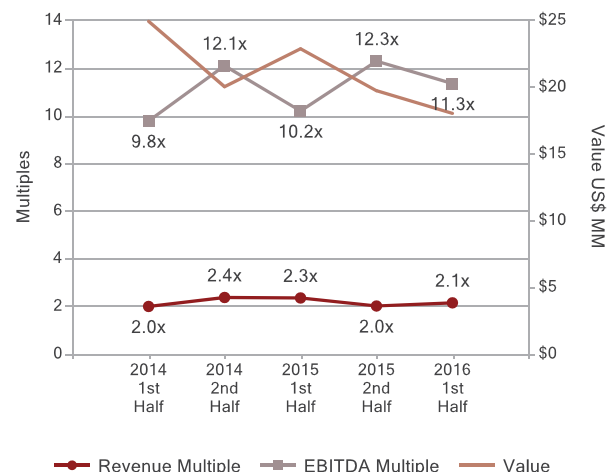
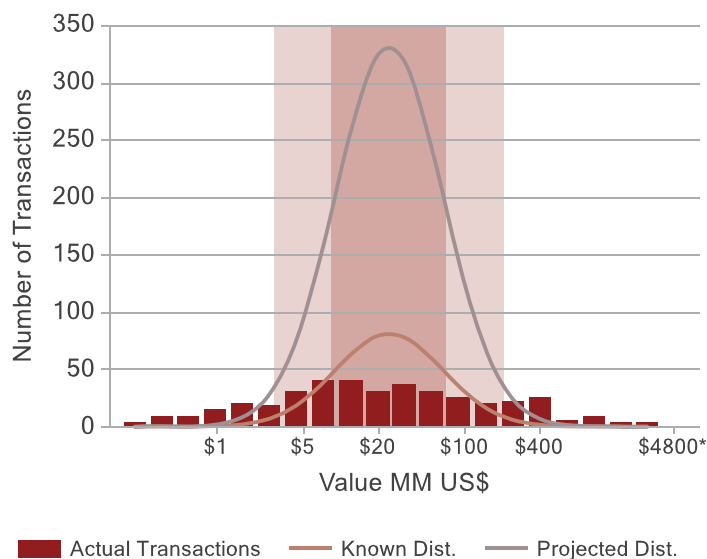


Figure 2. 2014-2016 median: value, revenue, EBITDA comparison.

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

## Bell Curve - Histogram - 1st Half



**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 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2016 at \$112.8 billion.

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

## Distribution Table

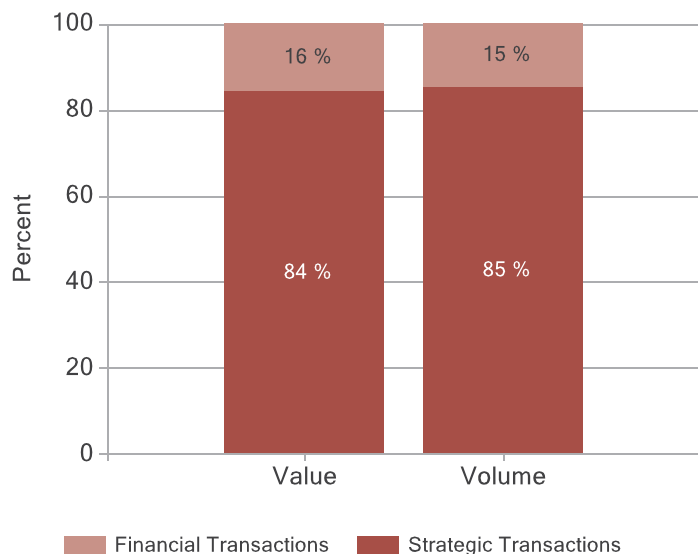
Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	4	0	4	1 %	1 %
\$0.4	8	0	8	2 %	3 %
\$0.6	8	0	8	2 %	5 %
\$1.0	16	2	17	4 %	9 %
\$1.6	20	8	28	5 %	14 %
\$2.7	19	28	47	5 %	19 %
\$4.5	30	76	105	7 %	26 %
\$7.4	40	158	197	10 %	36 %
\$12.2	41	256	296	10 %	46 %
\$20.1	31	323	354	8 %	54 %
\$33.1	37	318	354	9 %	63 %
\$54.6	30	243	273	7 %	70 %
\$90.0	25	145	170	6 %	76 %
\$148.4	21	67	88	5 %	81 %
\$244.7	22	24	46	5 %	87 %
\$403.4	25	7	31	6 %	93 %
\$665.1	6	2	7	1 %	95 %
\$1,096.6	8	0	8	2 %	97 %
\$1,808.0	4	0	4	1 %	98 %
\$2,981.0	3	0	3	1 %	98 %
Total #	405	1658	2063		
Total \$ Value	\$71,486	\$41,354	\$112,841		
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.

## Strategic vs. Financial Comparison

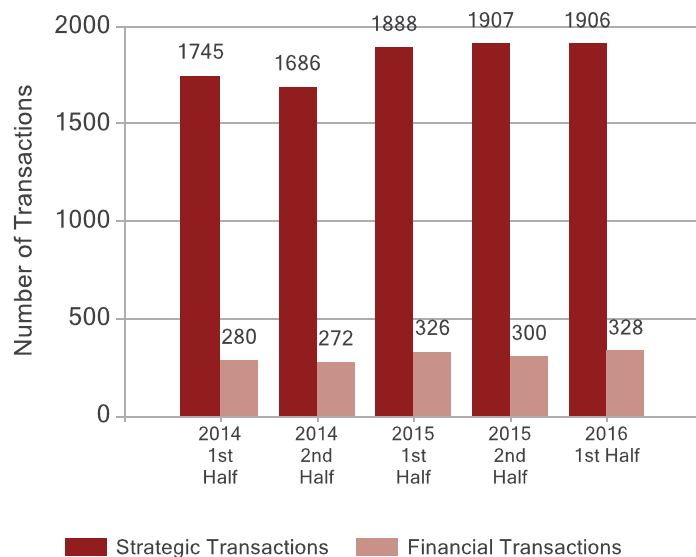
### M&A Dynamics By Transaction Type - 1st Half



**Figure 5.** 1st Half 2016 value and volume comparison by transaction 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 By Half Year



**Figure 6.** 2014-2016 acquirer type comparison by half year.

# Purchaser Analysis

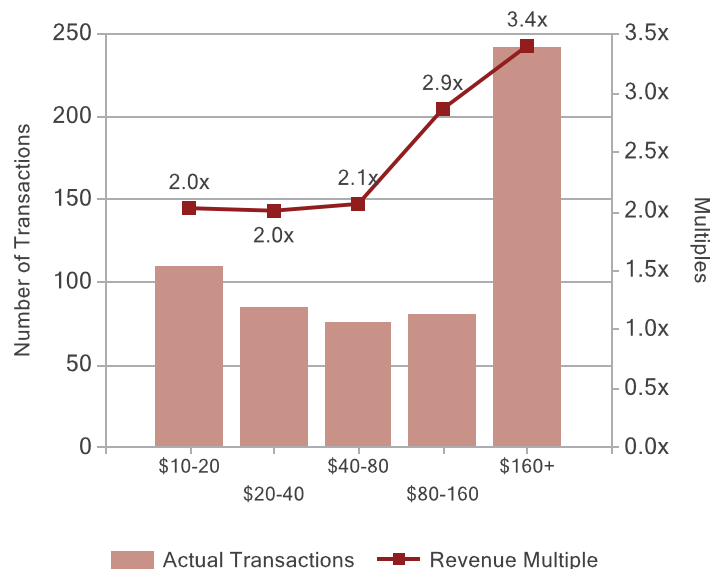
## Top Ten Notable Transactions - 1st Half 2016

Deal Date	Target Name	Buyer	Value MM US\$
06/13/16	LinkedIn Corporation	Microsoft Corporation	\$25,927
03/21/16	Markit Group Ltd.	IHS, Inc.	\$10,974
06/21/16	Supercell	Tencent Holdings Ltd.	\$8,600
06/13/16	Blue Coat, Inc.	Symantec Corporation	\$4,722
01/07/16	Media General, Inc.	Nexstar Broadcasting	\$4,500
06/30/16	Starz, LLC	Lionsgate	\$4,400
04/28/16	DreamWorks Animation LLC	NBCUniversal, LLC.	\$4,104
02/18/16	Truven Health Analytics	IBM Watson Health	\$3,567
01/05/16	Legendary Entertainment	Dalian Wanda Group Co., Ltd.	\$3,500
06/01/16	Demandware, Inc.	Salesforce.com, Inc.	\$2,662
2016 Aggregate Transaction Value			\$158,978
Top 10 Aggregate Transaction Value			\$72,955
Top 10 Aggregate Value as a Percentage of All Transactions			46 %

**Figure 7.** 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.

**Note:** Transaction data based on **announced date**.

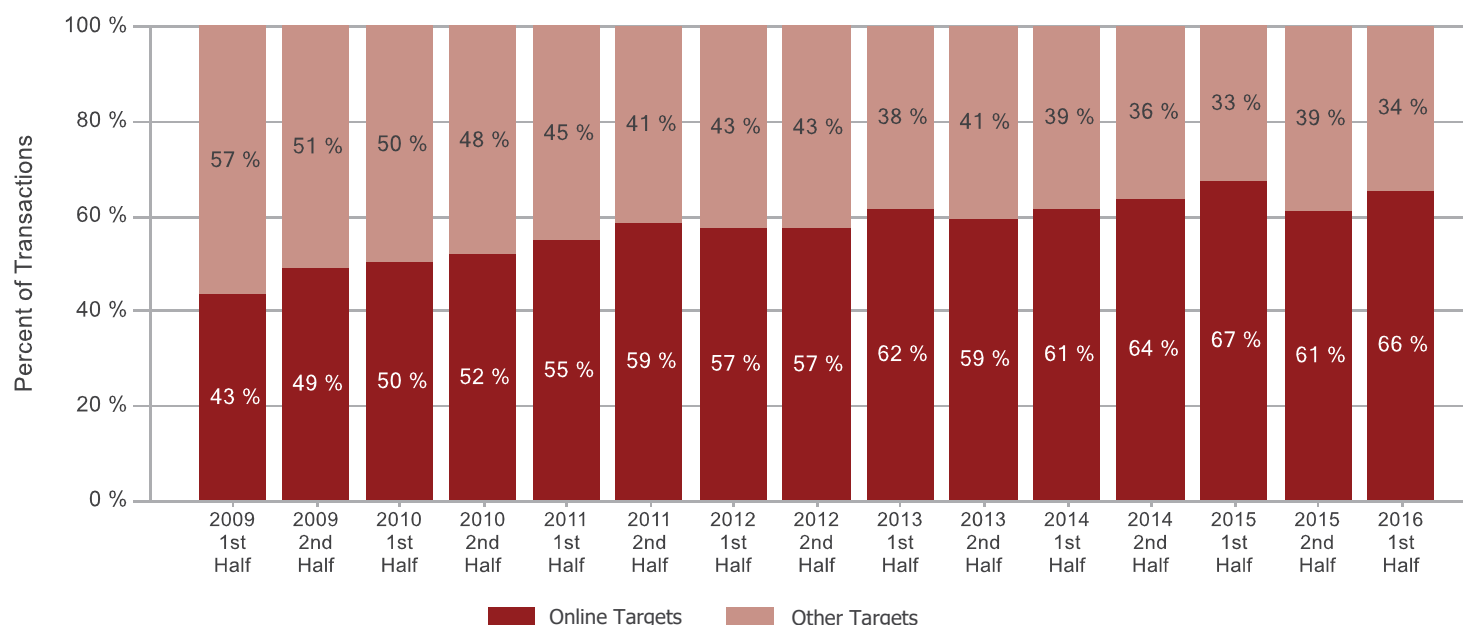
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from January 1, 2014 to June 30, 2016 based on publicly available sales price and revenue 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 half year from January 1, 2009 through June 30, 2016.

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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.

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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HAS BEEN ACQUIRED BY



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