

INFORMATION INDUSTRY

The Production and Provision of Content

1ST HALF 2017 :: Mergers and Acquisitions Trend Report

1ST HALF 2017 KEY HIGHLIGHTS

- Seven of the Information Industry's top ten highest value deals in 1st Half 2017 were completed by strategic acquirers. These seven acquisitions combined accounted for 28 percent of the industry's aggregate value year-to-date.
- There were 401 financially sponsored transactions with an aggregate value of \$55.98 billion, representing 17 percent of the total volume and 37 percent of the total value, respectively.

1ST HALF 2017 KEY TRENDS

- Total transaction volume in 1st Half 2017 increased eight percent over 2nd Half 2016, from 2,141 to 2,317.
- As for the industry's three horizontal markets, Software volume improved by 12 percent; Online & Mobile deal volume rose by five percent; and Media & Marketing volume moved upward by three percent.
- Total transaction value in 1st Half 2017 fell by 51 percent over 2nd Half 2016, from \$277.65 billion to \$135.75 billion. However, aggregate value declined 14 percent on a year-over-year basis.
- The median revenue multiple shifted from 2.0x to 1.9x, while the median EBITDA multiple declined slightly from 11.6x to 11.0x.

M&A MARKET OVERVIEW

Berkery Noyes tracked 11,219 Information Industry transactions between 2015 and 1st Half 2017, of which 2,413 disclosed financial terms, and calculated the aggregate transaction value to be \$738.35 billion. Based on known transaction values, we project values of 8,806 undisclosed transactions to be \$174.19 billion, totaling \$912.54 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 2.0x revenue and 11.2x EBITDA.

Out of 11,219 transactions tracked by Berkery Noyes in this report, we found that 1,748 financially sponsored transactions accounted for 16 percent of the total transactions, yet they totaled \$225.26 billion, representing 25 percent of aggregate transaction value.

M&A Market Dynamics By Half Year

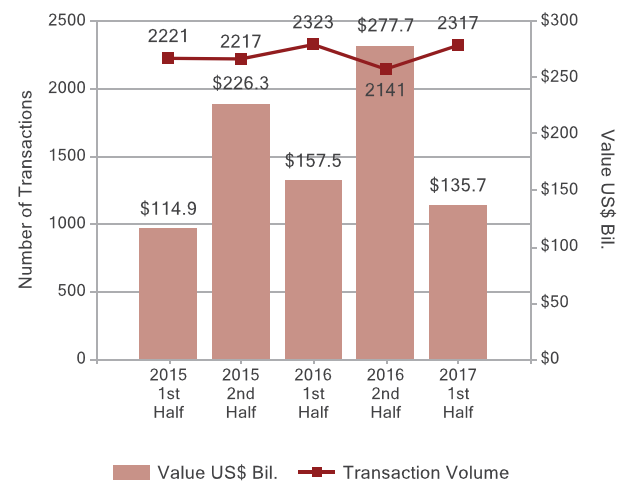


Figure 1. 2015-2017 value and volume comparison.

Median Enterprise Value Multiples By Half Year

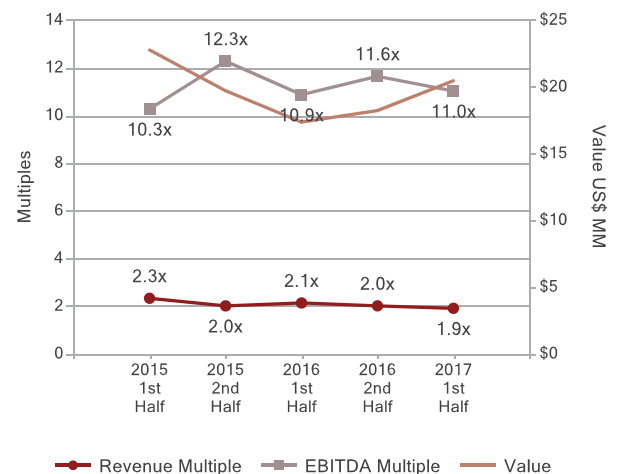
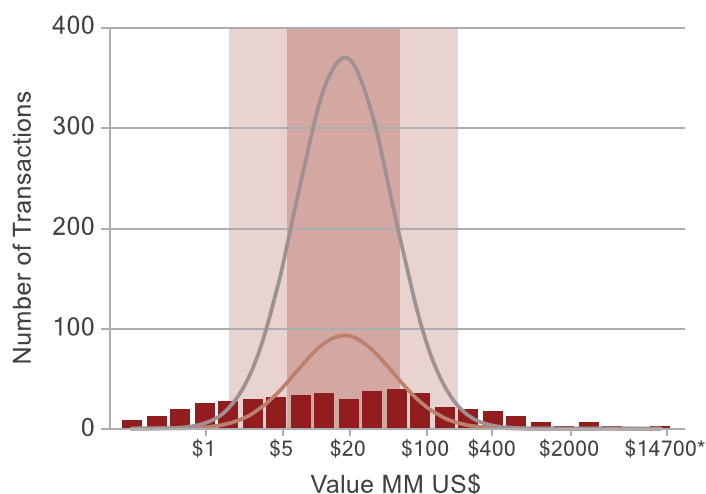


Figure 2. 2015-2017 median: value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2017 – June 30, 2017

Bell Curve - Histogram - 1st Half



Actual Transactions Known Dist. Projected Dist.

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 2017 at \$135.7 billion.

* Indicates largest transaction in the industry from Jan. 1, 2017 to June 30, 2017.

Distribution Table

| Value in MM US\$ | Known Number | Projected Number | Total Number | % | Cumulative % |
|------------------------|--------------|---------------------------|--------------|-----|--------------|
| \$0.2 | 9 | 0 | 9 | 2 % | 2 % |
| \$0.4 | 11 | 0 | 11 | 2 % | 4 % |
| \$0.6 | 20 | 1 | 21 | 4 % | 9 % |
| \$1.0 | 26 | 5 | 31 | 6 % | 14 % |
| \$1.6 | 27 | 20 | 46 | 6 % | 20 % |
| \$2.7 | 30 | 58 | 88 | 6 % | 26 % |
| \$4.5 | 32 | 134 | 166 | 7 % | 33 % |
| \$7.4 | 33 | 241 | 274 | 7 % | 40 % |
| \$12.2 | 35 | 338 | 372 | 8 % | 48 % |
| \$20.1 | 29 | 368 | 397 | 6 % | 54 % |
| \$33.1 | 37 | 313 | 349 | 8 % | 62 % |
| \$54.6 | 38 | 207 | 244 | 8 % | 70 % |
| \$90.0 | 34 | 107 | 140 | 7 % | 78 % |
| \$148.4 | 22 | 43 | 64 | 5 % | 82 % |
| \$244.7 | 20 | 13 | 33 | 4 % | 87 % |
| \$403.4 | 18 | 3 | 21 | 4 % | 91 % |
| \$665.1 | 12 | 1 | 12 | 3 % | 93 % |
| \$1,096.6 | 6 | 0 | 6 | 1 % | 94 % |
| \$1,808.0 | 3 | 0 | 3 | 1 % | 95 % |
| \$2,981.0 | 7 | 0 | 7 | 2 % | 97 % |
| \$4,914.8 | 1 | 0 | 1 | 0 % | 97 % |
| \$8,103.1 | 0 | 0 | 0 | 0 % | 97 % |
| \$13,359.7 | 1 | 0 | 1 | 0 % | 97 % |
| Total # | 465 | 1852 | 2317 | | |
| Total \$ Value | \$101,308 | \$34,441 | \$135,749 | | |
| 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 - 1st Half

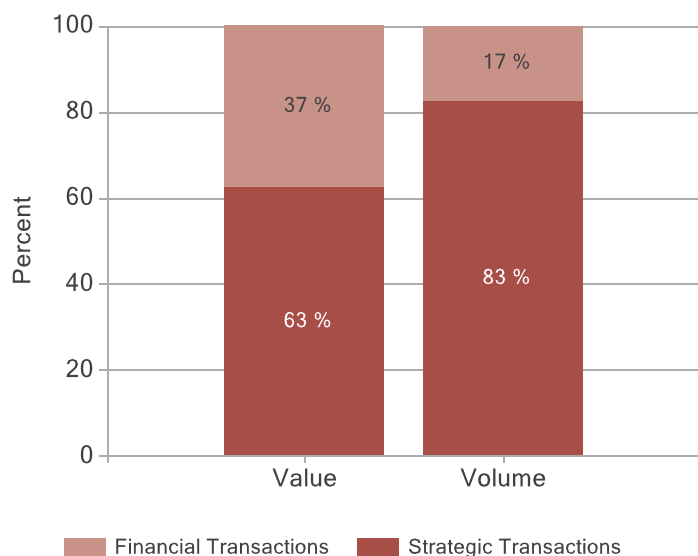


Figure 5. 1st Half 2017 value and volume comparison by transaction type.

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

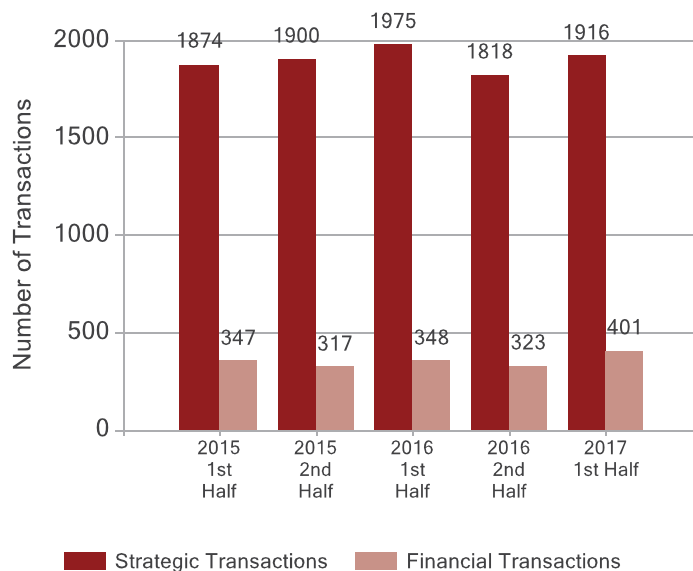


Figure 6. 2015-2017 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2017

| Deal Date | Target Name | Buyer | Value MM US\$ |
|--|--|-------------------------------------|---------------|
| 03/13/17 | Mobileye | Intel Corporation | \$14,700 |
| 05/08/17 | Tribune Media Company | Sinclair Broadcast Group | \$6,554 |
| 02/10/17 | Technology-Enabled Benefits & HR Platform from Aon plc | Blackstone Group LP | \$4,300 |
| 01/25/17 | AppDynamics | Cisco Systems, Inc. | \$3,903 |
| 03/15/17 | DH Corporation | Misys plc | \$3,491 |
| 04/18/17 | Chewy, Inc. | PetSmart, Inc. | \$3,350 |
| 01/05/17 | CEB Global | Gartner, Inc. | \$3,300 |
| 05/15/17 | Bureau van Dijk Electronic Publishing | Moody's Analytics, Inc. | \$3,270 |
| 02/27/17 | CCC Information Services Inc. | Advent International | \$3,000 |
| 02/02/17 | CBS Radio, Inc. | Entercom Communications Corporation | \$2,807 |
| 2017 Aggregate Transaction Value | | | \$135,749 |
| Top 10 Aggregate Transaction Value | | | \$48,674 |
| Top 10 Aggregate Value as a Percentage of All Transactions | | | 36 % |

Figure 7. Lists the top ten transactions for 1st Half 2017 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

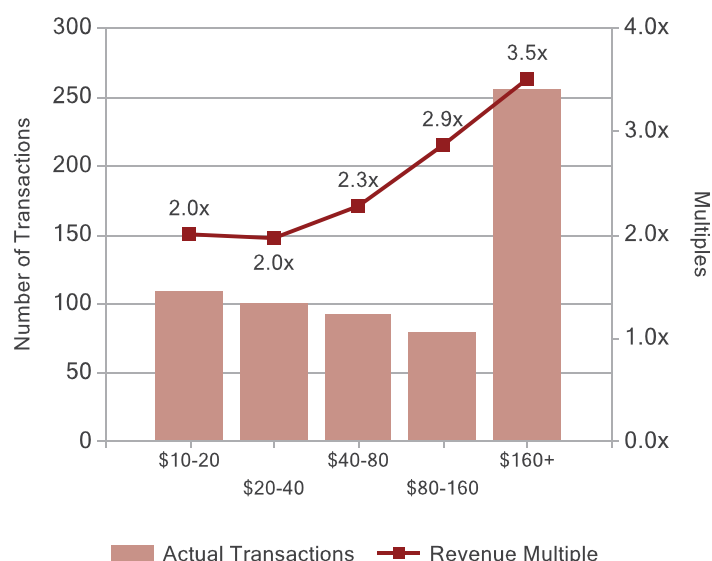


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from January 1, 2015 to June 30, 2017 based on publicly available sales price and revenue data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

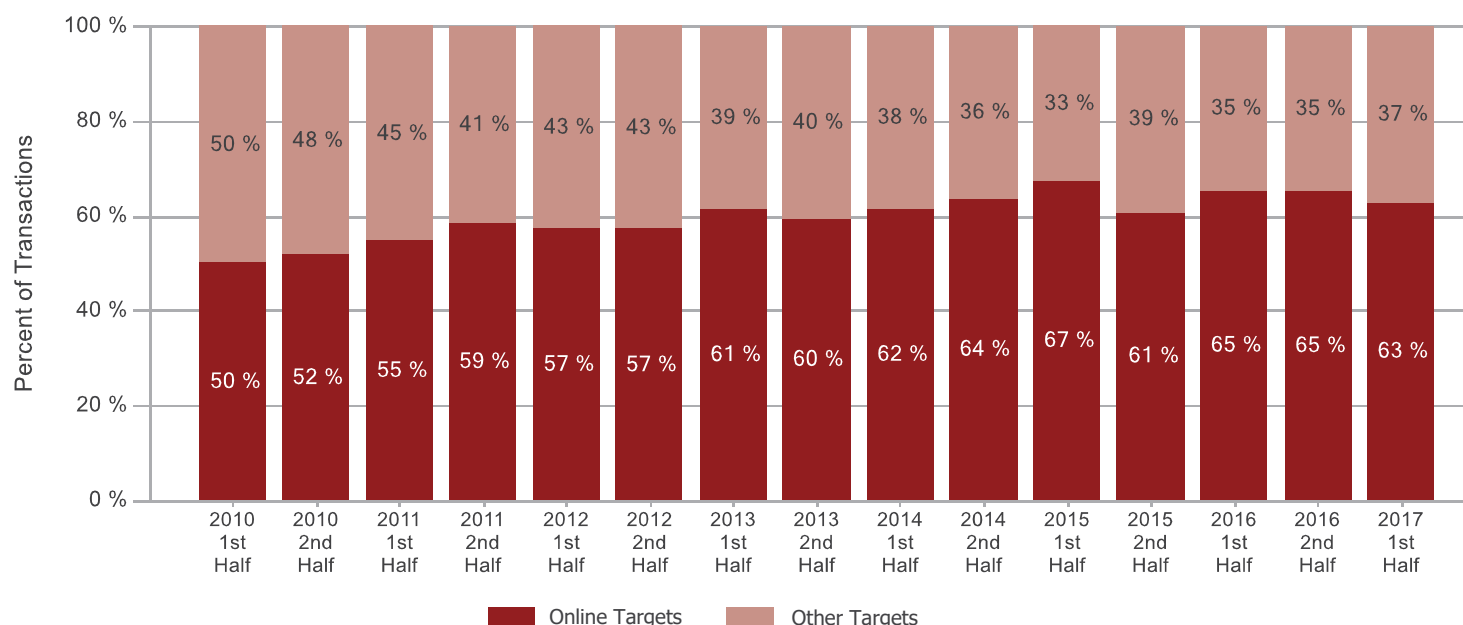


Figure 9. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by half year from January 1, 2010 through June 30, 2017.

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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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