



INFORMATION INDUSTRY :: *The Production and Provision of Content*

Q1 2016 :: Mergers and Acquisitions Trend Report

Transaction volume increased three percent over the past three months, from 1,066 to 1,097. Overall industry value fell 58 percent, from \$152.6 billion to \$63.5 billion. The median revenue multiple declined from 2.4x to 2.1x, while the median EBITDA multiple moved downward from 16.3x to 12.5x.

Of note, five of the Information Industry's top ten largest acquisitions last year occurred during Q4 2015. These five transactions had a combined value of \$93.6 billion. If excluded, value gained eight percent from Q4 2015 to Q1 2016. Aggregate value also rose 31 percent on a year-over-year basis. The top ten largest transactions year-to-date accounted for 48 percent of the industry's total value in Q1 2016, compared to 70 percent in Q4 2015.

Regarding the industry's three broad-based horizontal markets, Online & Mobile saw a 12 percent quarterly gain in volume. The number of deals in the mobile application subsector rose 35 percent, from 88 to 115 transactions.

In the Software horizontal, volume increased seven percent in Q1 2016. Two of the horizontal's top ten highest value deals in Q1 2016 were backed by financial sponsors. Both acquisitions occurred in the Niche segment, which is targeted to specific vertical markets. Meanwhile, the Business Software segment, which consists of software designed for general business practices and not specific industry markets, experienced an 18 percent improvement in deal flow.

As for the Media & Marketing horizontal, volume decreased six percent on a quarterly basis. However, the Marketing segment underwent a 15 percent increase in volume. Deal activity in the Entertainment segment improved 16 percent. In terms of value, six of the industry's top ten largest acquisitions in Q1 2016 were Media related.

Top Ten Notable Transactions Q1 2016

Deal Date	Target Name	Buyer	Value MM US\$
03/21/16	Markit Group Ltd.	IHS, Inc.	\$10,974
01/07/16	Media General, Inc.	Nexstar Broadcasting	\$4,489
02/18/16	Truven Health Analytics	IBM Watson Health	\$3,567
01/05/16	Legendary Entertainment	Dalian Wanda Group Co., Ltd.	\$3,500
01/13/16	Shaw Media Inc.	Corus Entertainment, Inc.	\$1,865
01/11/16	LOEN Entertainment	Kakao	\$1,409
02/04/16	Jasper Technologies, Inc.	Cisco Systems, Inc.	\$1,400
02/10/16	Opera Software	Golden Brick Consortium	\$1,268
03/09/16	The International Securities Exchange	Nasdaq, Inc.	\$1,100
03/11/16	Cruise Automation	General Motors Corporation	\$1,000

2016 Aggregate Transaction Value \$63,483

Top 10 Aggregate Transaction Value \$30,571

Top 10 Aggregate Value as a Percentage of All Transactions 48 %

Figure 3. Lists the top ten transactions for Q1 2016 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.

M&A Market Dynamics By Quarter

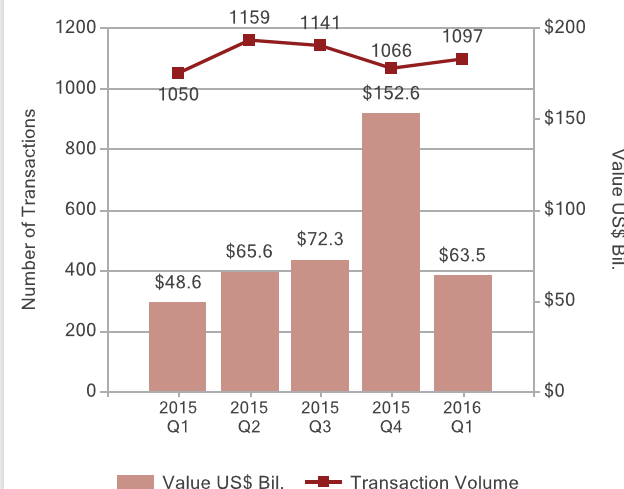


Figure 1. 2015-2016 value and volume comparison by quarter.

Median Enterprise Value Multiples By Quarter

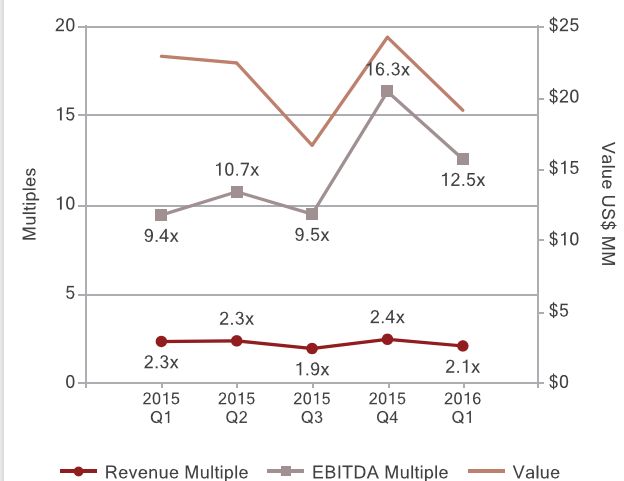


Figure 2. 2015-2016 median value, revenue, EBITDA comparison.

Coverage Overview

The Information report features acquisitions in the horizontal Media & Marketing, Software, and Online & Mobile Industries.

It covers vertical markets including, but not limited to, the following segments: Business & Compliance; Construction & Real Estate; Distribution, Retail & Wholesale; Education; Energy; Financial Services & Accounting; Health & Pharmaceuticals; Law & Government; Lifestyle & Entertainment; Manufacturing; Marketing & Advertising; News Media; Science & Technology; Transportation; and Travel & Hospitality.

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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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