

INFORMATION INDUSTRY

Q3 2017 :: Mergers and Acquisitions Trend Report

Q3 2017 KEY HIGHLIGHTS

- The Advisory Board Company was involved in two of the Information Industry's top ten largest deals in Q3 2017. Vista Equity Partners announced its acquisition of The Advisory Board Company's education business, which includes Royall & Company, for \$1.6 billion; and Optum announced its acquisition of The Advisory Board Company's healthcare business for \$1.3 billion.

Q3 2017 KEY TRENDS

- Total transaction volume in Q3 2017 declined by nine percent over Q2 2017, from 1,188 to 1,085. However, volume year-to-date improved by two percent compared to the same timeframe in 2016.
- As for the industry's horizontal markets on a year-over year basis, Media & Marketing volume gained four percent; Software volume remained about constant; and Online & Mobile volume fell by four percent.
- Total transaction value in Q3 2017 increased by five percent over Q2 2017, from \$55.6 billion to \$58.4 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2016 through the 1st 3 Quarters of 2017 decreased slightly, from 2.1x to 1.9x.
- The median EBITDA multiple from 2016 through the 1st 3 Quarters of 2017 shifted downward, from 11.3x to 10.4x.

M&A Market Dynamics By Quarter

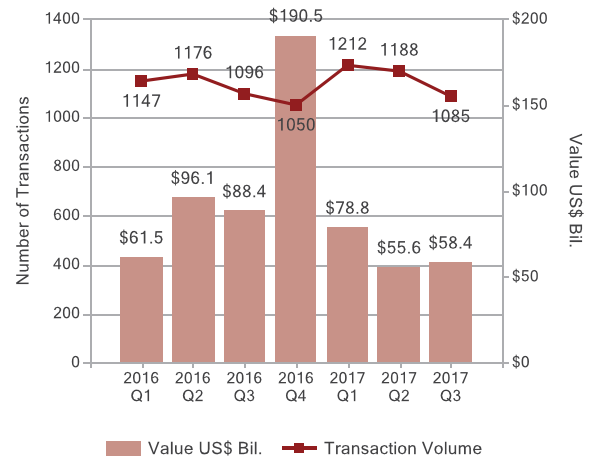


Figure 1. 2016-2017 value and volume comparison.

Median Enterprise Value Multiples

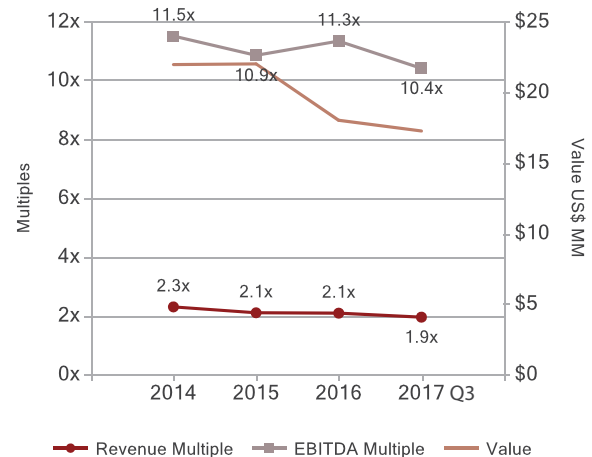


Figure 2. 2014-2017 median value, revenue, EBITDA comparison through Q3 2017.

Top Ten Notable Transactions - 1st 3 Quarters 2017

Deal Date	Target Name	Buyer	Value MM US\$
03/13/17	Mobileye	Intel Corporation	\$14,700
07/31/17	Scripps Networks Interactive	Discovery Communications, Inc.	\$11,900
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
01/24/17	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

2017 Aggregate Transaction Value \$192,594

Top 10 Aggregate Transaction Value \$57,768

Top 10 Aggregate Value as a Percentage of All Transactions 30 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2017 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on announced date.

TOP TEN DEALS THROUGH Q3 2017

The top ten deals by value have seen one new addition since our half year report: Discovery Communications' announced acquisition of Scripps Networks Interactive, a developer of lifestyle content for television and the Internet, for \$11.9 billion. This acquisition represented about one-fifth of aggregate Q3 2017 transaction value.

KKR's Internet Brands' announced acquisition of WebMD Corporation, an online health information provider, for \$2.8 billion just missed the threshold for inclusion in the top ten list.

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For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

RECENT INFORMATION INDUSTRY TRANSACTIONS

HAS BEEN RECAPITALIZED BY

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

HAS RECEIVED AN INVESTMENT FROM

HAS ACQUIRED

S&A Holdings, LLC

HAS ACQUIRED

HAS BEEN ACQUIRED BY

A SUBSIDIARY OF

HAS BEEN ACQUIRED BY

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

A PORTFOLIO COMPANY OF

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